Columbus®
Once you *know* how...

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Columbus A/S, CVR no. 13228345

ANNUAL REPORT 2015

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Columbus' mission

Columbus' core purpose is to help organizations digitally transform their business and maximize productivity by offering innovative and leading business solutions.

Columbus' vision

Columbus aims to be a leading global value provider of digital business solutions in selected industries. We aspire to keep our customers for life. We will attract, develop and retain the best people in the industry.

HIGHLIGHTS

EBITDA[1]

29% growth

amounting to DKK 105.2m

Revenue

28% growth

amounting to DKK 1,123m

Columbus Software

57% growth

in revenue

Acquisitions

InterDyn BMI - US

Sherwood Systems - US

MW data - Denmark

MW Solutions - Denmark

Service Revenue

20% growth

Customer work

55%

chargeable work

Industry Solutions

78%

of total revenue

Global Delivery Center

17%

isncrease in customer work

[1] EBITDA before share-based payment

A NEW JOURNEY BEGINS

Columbus delivered revenue of DKK 1,123m and EBITDA[1] of DKK 105.2m in 2015, and thereby delivered another record year in the company's history for the third year in a row. 2015 was a good year for Columbus. We signed many important deals, and we delivered thousands of projects to our customers. I am truly amazed to see the positive impact we have on our customers helping them achieve their business goals.

An increasing part of our business is coming from the key industries food, retail and manufacturing. Our relentless focus on building expertise within these industries means that we have strengthened our market position within these industries significantly. Today, industry expertise is part of our DNA and deeply embedded in our culture. In 2015, we reached an important milestone with 78% of our business coming from our key industries.

Columbus Software was very successful in 2015, thus revenue grew by 57%. Our software not only gives us a strong competitive advantage, it also creates a closer and longer relationship with our customers and gives us the opportunity to provide more value-added consulting services as well as ColumbusCare services.

In 2015, we acquired four companies: InterDyn BMI and Sherwood Systems in the US and MW data A/S and MW Solutions A/S in Denmark. These acquisitions are important contributors to the revenue growth and give Columbus a more solid footprint in Denmark and the US.

During our four-year execution of Columbus*15*, we have improved the quality and customer focus in our services business. We have improved the productivity, increasing customer work from 50% to 55%, which is a satisfactory result although our long-term plan was more ambitious. Our services business is not only the largest part of our business; it is also the part of our business where we must prove the value to customers - every day! Therefore, we must continue to be sharp in delivering customer projects at the agreed deadline, quality and price.

Overall 2015 was characterized by progress in our business despite the challenges we faced in some of the subsidiaries. The challenges in these subsidiaries are expected to be resolved, and while still not quite operating at the normal level, we expect that most challenges are behind us.

2015 was the final year of the Columbus*15* strategy, and the company finished the strategic program as planned reaching important milestones. Columbus*15* has been a very successful journey, and to me it has been inspiring and rewarding to see how Columbus has developed and made great progress.

The global economy is changing, and companies around the world are going through major changes while the competitive pressure is intensifying. This creates a need for companies in all industries to change their business models in order to adapt to the new challenges and opportunities in the digital economy. In other words, companies are digitally transforming their business, and Columbus has the opportunity to capitalize on the transformation. Columbus is operating in the market for digital transformation, where our customers are investing in business solutions such as ERP, Business Intelligence, IoT and CRM in order to stay profitable, compliant, competitive and relevant. Columbus' five-year strategy Columbus2020, was born with the ambition of becoming a leading global value provider of digital transformation solutions for food, retail and manufacturing companies.

Columbus2020 is based on four strategic interconnected elements that lead our customers in the digital transformation of their business: Customer Success, Our People, Digital Leadership and Process Excellence. The strategy will provide a competitive advantage for Columbus and when executed sharply and committed, it will also generate significant value for our shareholders.

The teams in Columbus have done a stellar job during the last years, and now it is time to seal Columbus*15* and make Columbus2020 even more successful for customers, employees and shareholders. I am convinced that Columbus is ready to move to the next level.

Ib Kunøe
Chairman of the Board

[1] EBITDA before share-based payment

BUSINESS AND STRATEGY

TOWARDS GROWTH

Columbus has successfully implemented its Columbus*15* strategy, which has transformed Columbus from an IT reseller into a global consultancy with its own business software. With a strong market position, a profitable and growing ERP business and an innovative focus on digital trends, Columbus has a solid starting point for our next strategic journey - Columbus2020.

A changing business environment
Companies around the world are going through major changes. The competitive pressure and global trends create a need for companies in all industries to change all or part of their business models in order to adapt to the challenges and opportunities in the competitive landscape. Companies are increasingly investing in business applications in order to stay profitable, compliant, competitive and relevant.

The business environment is affected by several global trends driving the spending in ERP and business applications. The globalization means that more companies must manage more complex business processes while improving quality and profitability and reducing cost in their value chains. The competitive pressure demands that companies improve and in some cases re-invent customer experience in order to create a more intimate, social and profitable relationship with their customers. Furthermore, companies are operating in an increasing regulatory and corporate governance business environment where compliance management and risk management are major obligations.

These global trends are both the underlying growth drivers for Columbus' business and the major drivers for digital transformation in today's business environment. Businesses need to invest in business applications and services in order to stay competitive and grow their business.

An important part of Columbus' value proposition therefore lies in translating strategic business drivers into tangible business solutions for customers. It means that there will be significant demands for Columbus' offerings over the next 5 years with the opportunity to expand our business accordingly.

We expect the business application market to grow by 3-5% per annum over the next five years, and many companies will replace and renew their ERP platforms to reach their business goals. Approximately 7% of all companies are in the market for a new ERP platform each year, but more companies, approximately 20% per annum, are renewing or extending their ERP platform with new functionality and capabilities[2].

Pursuing the growth opportunity
With the implementation of the Columbus*15* strategy, Columbus reached an important milestone turning the company from an IT reseller into a profitable consultancy. The starting point for the Columbus2020 strategy is thus a stronger Columbus with a strong competitive market position. With a consistent focus on profitability and free cash flow, the foundation has been laid for growth, and Columbus has the potential to realize continued growth in the global ERP market.

[2] Source: "Global ERP Software Market - Size, Industry Analysis, Trends, Opportunities, Growth and Forecast, 2013-2020", by Allied Market Research

Columbus' new strategy is built around three value drivers:

Improve profitability in the services business

Today, the services business is our largest revenue contributor, and we expect the service revenue to continue to be the major revenue stream in the future. We aim to deliver higher productivity and quality in our services business to optimize delivery, minimize risk and control cost.

Scaling of own software sales

Columbus Software generates high earnings while creating high value for customers. We aim to grow our software sales within Columbus Software subscriptions and cloud revenue.

Recurring service revenue and cloud revenue

We expect to grow the recurring service revenue in order to improve predictability and profitability. The recurring revenue consists of Columbus Software and third party software subscriptions, cloud revenue and ColumbusCare revenue. All revenue categories are based on a long co-operation with customers where Columbus becomes the strategic business partner.

Columbus2020 – embracing the digital economy

Columbus' five-year strategy, Columbus2020, was born with the ambition of being a leading global value provider of digital business solutions in selected industries.

Columbus continues to invest in new innovative business solutions, while at the same time optimizing and streamlining our services business. Ensuring satisfied and successful customers is an essential focus area for Columbus, as well as engaged and motivated employees.

The strategy is based on four strategic interconnected elements that **lead our customers in the digital transformation of their business**. In the following, we take a closer look at Columbus' ambitions within its strategic focus areas.

Customer Success – Taking care of our customers for life

Columbus aims to be widely recognized as a business partner that enhances our customer's success by improving the value realization of their ERP investments. Therefore, we will intensify our focus on creating a unique customer experience, including an extensive focus on better quality and project delivery throughout our business.

Taking care of our customers is a fundamental goal for Columbus. An important foundation for reaching that goal is our lifetime support offering, ColumbusCare, which ensures our customers high quality support around the clock. During our next strategic journey, we will extend the ColumbusCare offering towards a total service concept that takes care of our customers – for life.

Digital Leadership – Accelerate business innovation

Columbus helps our customers accelerate business innovation by maximizing the value realization of ERP and by leading them in the digital business transformation. Digital Leadership comprises two different, yet closely connected types of innovation:

Columbus will continue to strengthen our leadership position within ERP. This means that we will invest in new business applications, new methodologies and new business processes to make the experience of buying and implementing ERP and other business applications from Columbus faster, better, less risky and with high returns.

Columbus will extend our business and build a new leadership position in digital business transformation. Our customers are seeking a business partner that is able to lead them in the digital transformation of their business. Columbus wants to be that partner. We will build a leadership position using cloud, social, analytics and IoT (Internet of Things) technologies and business models, to enable our customers to take advantage of the digital opportunities.

Process Excellence – Quality in everything we do

In Columbus, we constantly strive to optimize and streamline the business operations in order to achieve global sales excellence and deliver high quality services to our customer. Our goal is to create the best customer experience for our customers, when engaging with Columbus.

The focal point is quality in everything we do - from the initial contact with customers, over sales and design of the business solution to the implementation process and lifetime support engagement. We want to be best in class in ensuring the value realization of the project and manage the inherent risks in the implementation. In order to reach that goal, we will optimize our sales, services and support delivery capabilities – always striving to improve the quality.

Our People – Attract, develop and retain the best people

Columbus is a people business. Our greatest asset is our people and therefore it is crucial for our success that we attract and retain the best people in the industry. We want Columbus to be a company attracting highly skilled people to join, because it is the best place for competence development. We will achieve this goal by providing challenging career opportunities, attractive working conditions and professional and personal growth.

Furthermore, we want to create a customer success culture, where exceeding the customers' expectation for high quality sets the direction in everything we do. This means that we always strive to deliver projects on time, within budget and at the highest quality.

Long-term targets for 2018

Columbus2020 sets a new ambitious direction for the company. In the following, we explain the long-term targets for the next three-year period.

Average revenue growth of 10% per year

Columbus aims to grow the business by an average 10% each year for the next three years. Growth is expected to derive both from acquisitions and organically.

EBITDA margin of 10% per year

Columbus' goal is to deliver 10% EBITDA margin each year.

Recurring revenue

Recurring revenue is expected to grow in order to improve predictability and profitability. We expect to increase recurring revenue from 24% in 2015 to 30% of total revenue in 2018.

Dividend 10% payout

Columbus dividend policy is to pay out 10% dividend of nominal value each year.

Services business performance

Columbus' goal is to continue to grow our services business with a wider portfolio of services and with an objective of delivering increased EBITDA from the services business.

Increase revenue from Columbus Software

We intend to continue the progress with Columbus Software. We will increase the revenue from Columbus Software through our own product development and by acquiring software that supports our strategy.

Employee satisfaction

Columbus will continue to measure employee satisfaction across our subsidiaries. We intend to improve employee satisfaction by providing challenging career opportunities, attractive working conditions and professional and personal growth opportunities.

Customer satisfaction

Columbus aims to have the most satisfied customers in the market. We will measure how satisfied our customers are when engaging with Columbus. We will improve customer satisfaction by taking care of our customers and by delivering high quality projects at the agreed time, deadline and price.

MANAGEMENT'S REVIEW

2015 OUTLINED

A great and final year of Columbus*15* with a revenue of DKK 1,123m, a growth of 28% and EBITDA[3] of DKK 105.2m, corresponding to a growth of 29%. The net result after taxes increased by 24% to DKK 65.3m.

Specific targets for 2015

- Revenue from industry solutions above 75% of total revenue
- Revenue from Columbus Software DKK 80m
- Capacity in the Global Delivery Center in India to increase to 125 consultants
- Increase chargeable hours to 55%
- Revenue in the level of DKK 1bn
- EBITDA[3] in the level of DKK 90m

In relation with the acquisition of MW data A/S and MW Solutions A/S on 4 May 2015, announced expectations were adjusted to revenue in the level of DKK 1.03bn and EBITDA[3] in the level of DKK 94m.

On 3 February 2016, revenue and EBITDA[3] guidance was adjusted to the level of DKK 1,123m and DKK 105m, respectively.

Management initiatives

- Initiate development of new strategy
- Acquisitions:
  - InterDyn BMI – US
  - MW data and MW Solutions – Denmark
  - Sherwood Systems – US
- Recovery initiatives for both Columbus US and Columbus Norway

Challenges in 2015

Columbus went into 2015 with operational challenges in both US and Norway.

In 2015, both general management and sales management have been strengthened in the US in order to ensure a more focused and aligned sales execution and to ensure a better service delivery. During the last 6 months of 2015, the recovery of Columbus US is progressing, and backlog and pipeline for 2016 are improving.

Columbus Norway went into 2015 with operational challenges. These challenges continued during the first months of 2015. However, poor sales performance during the year, change of general manager, difficulties with delivery and significant cost redundancy resulted in a drop in revenue and negative EBITDA. With new management on board and with adjustments to the organization and reduction of cost in general we believe that 2016 will be the turnaround year for Columbus Norway, as we have a committed a dedicated team going forward.

Financial statements for 2015

The revenue increased by 28% to DKK 1.123m in 2015. In local currency revenue increased by 26%. EBITDA[3] increased by 29% to DKK 105m – the highest level in company history. Revenue and EBITDA[1] are in line with the latest announced expectations.

[3] EBITDA before share-based payment

The revenue from our industry solutions retail, food and manufacturing increased to 78%, and is in line with our expectations.

The revenue from Columbus Software increased by 57% to DKK 97m and greatly exceeded our expectations.

The revenue from consultancy increased by 20% to DKK 716m and is primarily caused by our acquisitions.

The revenue from external software licenses increased by 47% to DKK 292m, primarily driven by acquisitions.

Chargeable hours in the consultancy business increased to 55%. The development is in line with our expectations.

The delivery capacity in the GDC increased from 97 to 101 consultants. The level is below our expectations, however, the center has improved productivity and utilization thus delivering 7,477 hours of customer work. This is an increase of 17% and a satisfactory result.

EBITDA after share-based payment increased by 32% to DKK 104m compared to 2014.

The net result after tax increased by 24% to a profit of DKK 65m (2014 DKK 53), and is considered satisfactory.

Dividend

In line with Columbus' dividend policy, the Board of Directors proposes a dividend of 10% of the nominal share capital, corresponding to DKK 0.125 per share, to be adopted at the General Meeting.

KEY FIGURES AND RATIOS

DKK ´000	2015	2014	2013	2012	2011
Income statement					
Net revenue	1,123,443	878,291	879,805	881,185	793,563
External project costs	-274,962	-204,491	-216,278	-240,337	-199,748
Gross profit	**848,481**	**673,800**	**663,527**	**640,848**	**593,815**
EBITDA before share-based payment	**105,225**	**81,591**	**72,084**	**58,152**	**30,979**
Share-based payment	-1,362	-2,887	-1,960	-1,200	-314
EBITDA	**103,863**	**78,704**	**70,124**	**56,952**	**30,665**
Depreciation excl. goodwill	-29,020	-25,811	-25,352	-27,924	-23,948
EBIT	**74,843**	**52,893**	**44,772**	**29,028**	**6,717**
Result in associates	0	0	-4,109	-3,781	1,305
Net financial items	8,557	5,807	-3,933	-1,989	-1,722
Profit before tax	**83,400**	**58,700**	**36,730**	**23,258**	**6,300**
Tax on the result for the year	-18,061	-6,003	-9,334	-15,750	565
Result for the year, continued operations	**65,339**	**52,697**	**27,396**	**7,508**	**6,865**
Result for the year, discontinued operations	0	0	-5,662	-7,363	-16,929
Profit after tax	**65,339**	**52,697**	**21,734**	**145**	**-10,064**
Allocated to					
Shareholders of Columbus A/S	64,817	50,822	18,597	-3,739	-11,248
Minority interests	522	1,875	3,137	3,884	1,184
	65,339	**52,697**	**21,734**	**145**	**-10,064**
Balance sheet					
Long-term assets	431,496	277,441	245,104	258,221	254,732
Short-term assets	266,285	272,777	238,600	241,837	235,691
Total assets	**697,781**	**550,218**	**483,704**	**500,058**	**490,423**
Group shareholder equity	386,179	325,901	280,332	273,026	275,352
Minority interests	2,573	4,233	3,646	7,507	7,642
Total liabilities	309,029	220,084	199,726	219,525	207,429
Total equity and liabilities	**697,781**	**550,218**	**483,704**	**500,058**	**490,423**
Investments in tangible assets	**6,276**	**3,819**	**3,817**	**7,485**	**7,005**
Cash flow					
Cash flow from operating activities	109,147	75,023	72,665	46,496	54,427
Cash flow from discontinued operations	0	0	-3,047	-4,874	-19,339
Cash flow from investing activities	-109,124	-36,285	-29,579	-39,776	-36,414
Cash flow from financing activities	-15,450	-9,625	-905	-10,346	-18,602
Total cash flow	**-15,427**	**29,113**	**39,134**	**-8,500**	**-19,928**
Key ratios					
EBITDA-margin	9.2%	9.0%	8.0%	6.5%	3.9%
Operating profit margin (EBIT-margin)	6.7%	6.0%	5.1%	3.3%	0.8%
Equity ratio	55.3%	59.2%	58.0%	54.6%	57.7%
Return on equity	16.8%	15.6%	6.6%	-1.4%	-4.1%
Number of shares, in thousands	113,699	110,264	106,234	105,739	105,739
Average number of shares, in thousands	112,930	109,343	106,108	105,739	105,739
Book value of equity per share (BVPS)	3.40	2.96	2.64	2.58	2.60
Earnings per share (EPS)	0.57	0.46	0.18	-0.04	-0.11
Cash flow per share	0.95	0.66	0.67	0.44	0.33
Share price, end of period	6.70	4.70	3.80	1.69	1.40
Average headcount at the end of the period	1,080	889	842	845	880

The key figures and financial ratios above have been calculated in accordance with the Danish Society of Financial Analysts' "Recommendations and Key Figures 2015", Comparison figures for 2012 have been corrected so that discontinued operations are presented separately, Comparison figures for earlier years than 2012 have not been corrected to present earnings from discontinued operations separately,

2015: WE REACHED IMPORTANT MILESTONES

Columbus continued the progress and for the third year in a row delivered the best result in the company's history. Revenue increased by 28% to DKK 1,123m, and EBITDA increased by 29% to DKK 105.2m.

2015 was the last year in the Columbus*15* strategy, which was focused on creating a profitable consultancy with own industry software.

We reached the milestones for Columbus*15* by meeting the specific goals for the strategic elements:

- Extend industry leadership
- Sell more own software
- Improve service profits
- Columbus Global Delivery Center
- Geographic focus

In 2015, Columbus acquired four companies, which were important contributors to the growth; Columbus' software business was very successful with 57% growth; Moreover, the majority of Columbus' subsidiaries delivered very strong results.

Despite challenges in the Norwegian subsidiary, Columbus improved EBITDA[4] by 29%. Furthermore, the net result after tax of DKK 65.3m (2014: 52.7m) is the best result in the company's history.

In the following, we report on the milestones on the five strategic elements of Columbus*15*.

Extend industry leadership

Customers want to engage with business partners who know and address their specific needs and challenges. Columbus' focus on developing industry solutions and knowledge within our key industries food, retail and manufacturing has strengthened our position in the market.

In 2015, revenue from Columbus' industry solutions in manufacturing, food and retail increased from 77% to 78%, which is in line expectations and above the target of 75%.

Manufacturing is still our leading industry with 35% of the total revenue.

Development in revenue from our industry solutions

[4] EBITDA before share-based payment

Sell more own software

Columbus develops industry-specific business applications, which compliment standard software and contributes to optimize companies' business processes. Columbus' industry software makes Columbus capable of delivering more value to our customers, strengthening our competitive advantage and contributing to improved earnings.

In 2015, Columbus Software increased by 57% to DKK 96.8m. This is significant progress and above the expectations of DKK 80m for the year. Revenue from Columbus Software consists partly of software license and sale of software subscriptions. In 2015, both categories increased significantly and grew by 82% and 35%, respectively.

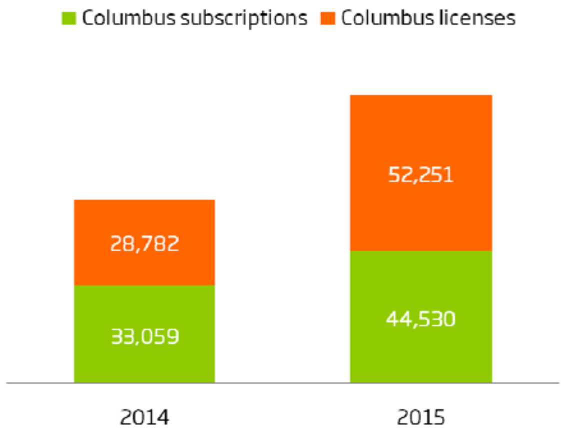
Columbus Software is sold through Columbus subsidiaries and through an external partner network. The acquisitions of MW data and MW Solutions in 2015, as well as Omnica and Dynamics Anywhere in 2014, play an important role in the growth by bringing strong industry software to Columbus' software portfolio.

Overall, all Columbus Software solutions delivered growth. However, the three most successful solutions in 2015 were:

Columbus Advanced Discrete Manufacturing (ADM) suite, showed the highest growth in 2015. Columbus' strength in product and project-centric companies continues to be unmatched due to our strong software portfolio and deep industry knowledge.

Columbus Mobility Solutions contributed with the second largest revenue within Columbus Software in 2015. With the acquisition of Dynamics Anywhere in 2014, Columbus was able to add AX Anywhere and NAV Anywhere to the Mobility Suite to the benefit of our customers enabling them to access Microsoft Dynamics AX/NAV at any time from almost any mobile device.

Columbus RapidValue, our business process management software is one of Columbus' strongest solutions within Columbus Software in 2015. We continue to see a consistent growth in the sale of this product as we deliver a value-driven business process management tool to our customers.

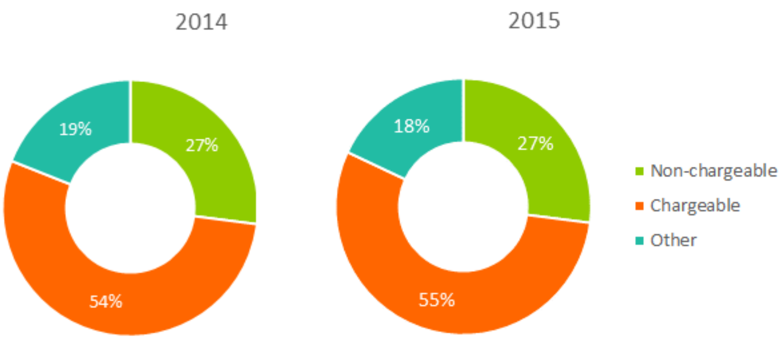


Development in sale of Columbus Software

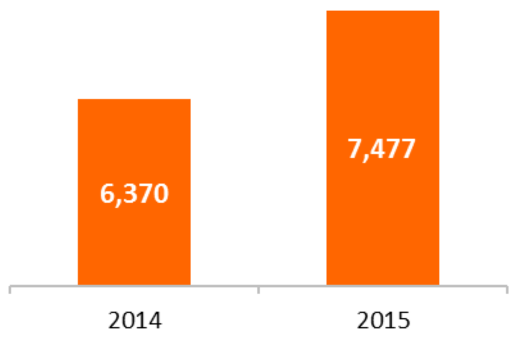
Improve service profits

Columbus' services business generates the largest part of our business. Therefore, Columbus continuously focuses on increasing earnings by improving risk management, project management and resource allocation. This focus means that we have improved our ability to complete projects at the agreed deadline, quality and price to the benefit of our customers. Additionally, we minimize non-chargeable hours, which is the primary reason for the increased profitability.

Improvement in the consultancy business



Global delivery days



In 2015, Columbus gained strong improvement in the services business. Service revenue grew by 20%, which is mainly due to our acquisitions of InterDyn BMI and MW data A/S. Productivity in the services business increased, and consequently chargeable hours increased from 54% to 55%. The progress in the services business is in line with expectations for the year.

Columbus Global Delivery Center

Columbus' global delivery model provides customers worldwide with industry-specific consulting services, support and development services. The global delivery model consists of local consultant teams alongside skilled consultants in our Global Delivery Center in India.

Since we established the Global Delivery Center in 2012, the center has expanded the level of services provided as well as capacity.

In 2015, the delivery capacity in the GDC increased from 97 to 101 skilled consultants, which was below the target of 125 we set for the year. However, the center has improved productivity and utilization thus delivering 7,477 hours of customer work. This is an increase of 17% and a satisfactory result.

Geographical focus

Columbus follows an acquisition strategy targeting companies within our key industries and in selected geographical regions.

In 2015, Columbus acquired four companies: In February, we acquired the US consultancy InterDyn BMI with 125 employees and coast-to-coast representation in the US serving more than 2,000 customers. In May, Columbus acquired the Danish consultancy MW data and MW Solutions with specialized production competencies and 27 employees, and in July, Columbus acquired the US consultancy Sherwood Systems with 10 employees and more than 300 customers.

These acquisitions strengthen Columbus' market position and allow us to serve customers within our key industries even better as well as playing an important role in the company's revenue growth in 2015.

Recovery and trimming of Columbus Norway

We continued the recovery and trimming of our Norwegian subsidiary. The recovery is progressing as planned and includes four elements:

- New management team with strong service and sales background.
- Adjusted capacity both in terms of number of people but more importantly in terms of alignment of competencies to our needs. General reduction of overhead cost.
- Improved project management and delivery processes in order to avoid loss-making projects and improve customer satisfaction by delivering high quality projects at the agreed deadline, time and price.
- Recapitalization of the company in order to ensure a strong Norwegian subsidiary going forward.

Income statement

Columbus' net revenue amounted to DKK 1,123.4m in 2015 (2014: DKK 878.3m), which is an increase of 28% compared to last year. In local currency, revenue increased by 26%.

Revenue was affected by significant growth in our US business with the acquisition of InterDyn BMI, which led to more than a double of the US segment revenue. Eastern Europe delivered in line with last year in local currency but was impacted by a decreasing Russian ruble.

Revenues	2015 DKKm	2014 DKKm	Development 2014-2015
Columbus licenses	52.3	28.8	82%
Columbus subscriptions	44.5	33.1	35%
External licenses	107.5	73.9	46%
External subscriptions	184.5	124.4	48%
Consultancy	715.5	596.9	20%
Other revenue	19.1	21.3	-10%
Total	1,123.4	878.3	28%

Staff costs increased to DKK 608.1m in 2015 (2014: DKK 479.5m), corresponding to an increase of 27%. The development in staff cost is in line with our expectations. Staff costs were affected by higher service revenue and acquisition of InterDyn BMI, MW Data and Sherwood Systems during 2015. Average number of employees grew to 1,080 in 2015 (2014: 889).

Other external costs increased to DKK 150.0m in 2015 (2014: DKK 117.0m), corresponding to a 28% increase. The development is in line with expectations. During 2015, we have seen an increase in bad debt reserves and losses in Norway due to local business situation. Further, in Russia we experienced an increased loss in bad debt on a couple of larger customer engagements due to bankruptcy.

Other operating income increased to DKK 13.5m in 2015 (2014: DKK 1.4m). The increase in 2015 is related to adjustments for non-recurring income from acquisitions, cf note 6.

Earnings before depreciation (EBITDA) and share-based payment increased to DKK 105.2m in 2015 (2014: DKK 81.6m), corresponding to an increase of 29%.

Tax on total income for the year and regulation of deferred tax in the Group amounted to a net cost of DKK -18.1m (2014: DKK -6.0m).

The net result amounted to a profit of DKK 65.3m (2014: DKK 52.7m). Management considers the result of 2015 as satisfactory.

	Revenue (DKKm)		EBITDA (DKKm)		Average headcount	
	2015	2014	2015	2014	2015	2014
To-Increase	56.6	47.4	49.0	34.5	74	61
Western Europe	542.9	523.3	56.9	52.8	449	411
Eastern Europe	136.7	157.8	11.7	16.3	283	283
North America	390.9	149.6	13.6	1.4	241	119
Parent company and elimination	-3.7	0.2	-27.3	-26.2	33	15
Total	1,123.4	878.3	103.9	78.7	1,080	889

Balance sheet

Goodwill amounted to DKK 319.2m as of 31 December 2015 (2014: DKK 198.6m). Acquisitions of InterDyn BMI, MW Data, MW Solutions and Sherwood Systems have increased the goodwill by DKK 114.6m.

Trade receivables amounted to DKK 141.7m as of 31 December 2015 (2014: DKK 144.1m), corresponding to a decrease of 2%. High collections during 2015 made it possible to decrease the consolidated trade receivable, despite increases from acquisitions.

Contract work in progress amounted to DKK 52.5m as of 31 December 2015 (2014: DKK 39.8m), corresponding to an increase of 32%. On account billing and prepayments increased to DKK 57.5m as of 31December 2015 (2014: DKK 39.5m), corresponding to an increase of 46%. Consequently, the net exposure is on the same level as in 2014.

The total equity amounted to DKK 388.8m at year-end 2015 (2014: DKK 330.1m). The equity ratio decreased to 55% as of 31 December 2015 compared to 59% at year-end 2014. The Board of Directors proposes a dividend payment of 10% of the nominal share capital to be adopted at the General Meeting.

Latest developments

There have been no events since 31 December 2015, which could significantly affect the evaluation of the Group's financial position and revenue. Earnings in January and February 2016 are in line with the Company's expectations.

As of 1 February 2016, Columbus has acquired the hosting company SystemHosting A/S in Denmark. The acquisition is in line with Columbus' strategy to strengthen the company's portfolio and hereby its global position as an innovative solution provider. The acquisition is expected to contribute to the Group revenue in the level of DKK 32m in 2016 and EBITDA in the level of DKK 5m.

EXPECTATIONS FOR 2016

2016 will be focused on growth and profitability while launching the Columbus2020 plan.

Positive expectations to market development
Columbus is experiencing an increasing demand for business applications and services that help companies in the digital transformation of their business. Columbus' strategy Columbus2020 is built around helping our customers optimize and grow their business and seizing the opportunities in a market impacted by digital transformation.

With a strong market position, Columbus has positive expectations for 2016. We will continue to pursue the momentum from 2015, while developing our business.

Management priorities for 2016
- Launch of the Columbus2020 strategy with a strong focus on engaging Columbus' employees with the new strategic direction for the company
- Launch company-wide Customer Satisfaction Program
- Upgrade of Columbus Competencies & Career Framework for employees
- Improve process excellence in both service, sales and our internal service functions
- Develop products and services to ensure digital leadership
- Acquire additional businesses that complement Columbus' services or offering portfolio
- Continue the recovery of Columbus Norway higher up – finishing negatively, under process excellence.

Specific targets for 2016
The current expectations for 2016 are summarized below:

- Revenue in the range of DKK 1.2bn
- EBITDA[5] in the range DKK 120m
- Columbus Software revenue of DKK 105m
- Service EBITDA of DKK 80m
- 10% dividend on nominal share capital

[5] EBITDA before share-based payment

RISK ISSUES

Columbus attaches the utmost significance to conducting ongoing risk monitoring and management. The overall goal of risk management is to ensure that the Company is operated with a level of risk, which is in a sensible ratio to the activity level, the nature of the business, and the Company's expected earnings and equity.

Columbus' potential to realize the Company's strategic and operational objectives is subject to a number of commercial and financial risks. Columbus is continuously working on identifying and meeting risks that can negatively impact the Company's future growth, activities, financial position and results.

Key risks are considered and reviewed by the Executive Board and presented to the Board of Directors annually or more often if considered relevant.

On page 22 some of the risk factors management considers as being of special importance to the Group are described in no specific order.

Strategic and operational risks

All companies in the Columbus Group report financial and operational data to the head office on a monthly basis. The reporting includes comments to the financial and business development. Based on this reporting the Group's financial statements are consolidated and reported to the Group management. As part of this process, monthly business reviews and control meetings are held, and control visits to all operational companies in the Group are performed on an ongoing basis in order to ensure that considerable errors in the financial reporting are discouraged, discovered and corrected should they arise.

Financial risks

Columbus' international activities entail that the Company's earnings and equity are affected by a number of financial risks and it is the Company's policy to identify and cover these risks pursuant to the guidelines set by the Board of Directors and the Executive Board.

The finance policy sets up guidelines for the Group's currency, investments, financing and credit risks in relation to financial counterparts. The overall goal with risk management is to reduce the sensitivity of earnings to fluctuations in economic trends. The overall guidelines for the management of the financial and commercial risks are outlined by the Board of Directors annually with the basis in a low risk profile so that currency and interest risks only emerge in commercial conditions.

As a result of its operation, investments and financing, the Group is exposed to changes in currency rates and interest level. The Parent Company controls the financial risks in the Group centrally and coordinates the Group's liquidity management, including provision of capital and placement of excess liquidity.

RISK ISSUES AND ACTIONS

Access to Microsoft's products	Columbus' business foundation is to a wide extent based on the development and implementation of customer solutions based on Microsoft Dynamics. Access to the onward sale of Microsoft Dynamics is therefore of crucial importance to the implementation of Columbus' business strategy and Columbus works with focus on retaining the good relation and the high partner status with Microsoft.
Software development and product innovation	The Company's future success, including the opportunities to ensure growth, depends on the ability to continue improving existing solutions, as well as developing new solutions and products adapted to the latest technology and the clients' needs. Columbus has many years of experience developing industry-related solutions and has chosen to separate development activities into a separate company, To-Increase. This will focus resources and make a broader sale of these products possible.
Project and contract risks	It is crucial to Columbus' consulting projects to be able to execute high quality at the agreed time and price. Risks are attached to the Sale, Analysis and Design, Development, Implementation and Commissioning phases. Columbus has carefully defined the individual phases, activities, and tools contained therein, with a view to active risk management and effective implementation. By focusing on the sales phase, we are striving towards a majority of repetition in solving the customer problems and the procedures by which these problems are managed. Through project reviews and ongoing analyses before, during, and after initiation, Columbus tries to ensure that fixed price contracts are entered into with the correct pricing.
Insurance	The Company's insurance policy sets the overall guidelines for the scope and management of the Company's risks in terms of insurance. Columbus has taken policies for the compulsory and relevant insurance, which arise ordinarily purchased by comparable companies. Included is insurance for operating material and inventory. Management assessments indicate that the necessary and relevant precautions have been taken to thoroughly cover insurance issues. Columbus' insurance policy is revised annually in consultation with the Board of Directors.
Employee dependency	Columbus is a knowledge-intensive company and in order to continuously offer optimal solutions, develop innovative products, and ensure satisfactory financial results, it is necessary to attract, retain and develop the right employees. Columbus has the goal of being an attractive workplace and achieves this through incentive programs, attractive working conditions, employee and manager development, and placing great importance on the company culture.
Foreign exchange rate risk	A considerable part of Columbus' revenue is invoiced in currencies other than DKK. Other currencies are mainly GBP, RUB, NOK and USD. In relation to currency risk, Columbus strives to match expenses against income and liabilities against assets. Furthermore, as many expenses and liabilities as possible are denominated in DKK and EUR. The actual currency risk is therefore limited to the cash flow that is not in DKK and EUR. In connection with international contracts, foreign currency risks are limited primarily through servicing from the local companies so that the Group's income and costs in foreign currency correspond as much as possible. Despite this, greater fluctuations in the most important currencies will have an influence on the financial position as well as the competitive ability. With the increased fluctuation in currencies and increased earnings in foreign entities, the currency risk has increased during 2015. The financial instruments in foreign currencies are all essentially composed of receivables and debt, as well as bank deposits. Intercompany financing is normally denominated in the reporting currency of the subsidiary. Consequently, currency risk exists on intercompany balances. The Group has not entered into any forward exchange transactions.
Credit risk	The credit risk is the risk of a counterpart neglecting to fulfill its contractual obligations and in so doing imposing a loss on Columbus. The credit risk is monitored centrally. The Group's credit risk originates mainly from receivables from the sale of products and services as well as deposits in financial institutions. Receivables from the sale of products and services are split between many customers and geographic areas. A systematic credit rating of all customers in the individual companies is conducted as well as considering the Group's internal guidelines in this area. Likewise, the rating forms the basis for the payment terms offered to the individual customer.
Cash flow risk	Columbus ensures the necessary cash flow through cash management and tight local monitoring of cash flow in subsidiaries.

CORPORATE GOVERNANCE

Corporate Governance

Columbus' management model and organization are adapted on an ongoing basis to ensure we are equipped to manage to our utmost all obligations to shareholders, customers, employees, authorities, as well as other interested parties. In this process, Columbus uses the corporate governance recommendations from NASDAQ Copenhagen A/S as an important source of inspiration. The recommendations can be found at www.corporategovernance.dk.

The Board of Directors remains fundamentally in compliance with the Danish Recommendations on Corporate Governance as adopted on 1 June 2013 by NASDAQ Copenhagen in its Rules for Issuers of Shares. Columbus endeavors to follow the relevant recommendations for the Company, which support the business and ensure value for the Company's interested parties.

In the statutory report on Corporate Governance, cf. section 107b of the Financial Statements Act., Columbus fulfills the obligation using the comply or explain approach. The statutory report also contains a detailed description of Columbus' management structure, including the responsibilities and authorizations of the Board of Directors and the Executive Board. The statutory report for 2015 is available at the Company's website: www.columbusglobal.com/Investor/Corporate_Governance/Statutory_report

Key developments in 2015

Diversity

In 2013 Columbus determined the following targets for the gender distribution in Columbus:

- To increase the proportion of women in the Columbus Board of Directors to a minimum of 40% in 2017
- To increase the proportion of women at management level to a minimum of 20% globally by the end of 2015

In 2014, the only female Board member left the Board of Directors. In this relation, the Board of Directors assessed that the composition and competencies of the Board of Directors with the remaining four Board members is such that constructive discussions and efficient decision-making process can be ensured during Board meetings. Thus, the female Board member has not been replaced.

Diversity will be discussed in connection with assessments of new Board candidates. However, this goal must not compromise other recruitment criteria.

The target for female members of the Board of Directors has been changed to 20%, equivalent to one person, by the end of 2018.

By the end of 2015, the gender distribution at management level constituted 26% women and 74% men, and thereby the 2015 target has been achieved.

The future target set by the Board of Directors in December 2015 is to obtain a minimum of 30% female managers globally by the end of 2020.

In connection with appointments at management level, a careful assessment is conducted of which knowledge and professional experiences are needed with a view to ensuring the presence of the necessary competences on all executive management levels. It is important that the greatest management talents, irrespective of gender, achieve the highest executive positions.

The statutory report on gender distribution, cf, section 99b of the Financial Statements Act is available on the Company's website: www.columbusglobal.com/Investor/CSR/Statutory_report_on_gender_distribution

Columbus Russia team event

Columbus Denmark skiing

Business ethics – whistleblower scheme

In 2015, the Board of Directors decided to establish a whistleblower scheme for expedient and confidential notification of possible or suspected wrongdoing. The whistleblower scheme was implemented globally 1 March 2016.

Evaluation of performance

The Chairman of the Board is responsible for conducting an annual evaluation of the performance of the Board of Directors and the Executive Board.

In June 2015 Columbus' Board of Directors performed an evaluation of the competencies of the Board of Directors, the cooperation between the Board of Directors and the Executive Board and the work and results of the Board of Directors and the Executive Board, including the areas operation, finance, strategy, organization and management.

The Board discussed the results of the evaluation. Based on the evaluation, it was concluded that the work of the Board of Directors and Executive Board is efficient, and that the composition of the Board of Directors is appropriate in terms of professional experience and relevant special competences to perform the tasks of the Board of Directors.

CORPORATE SOCIAL RESPONSIBILITY

Columbus signed up to the UN Global Compact in 2012 and is committed to being socially and environmentally responsible as well as comply with all relevant laws, standards and guidelines. We maintain a strong corporate governance structure and communicate openly and transparently about our CSR effort, which are primarily concentrated on human rights, labour, anti-corruption, environment and social commitment in the countries we work in.

Columbus' CSR report is prepared in accordance with the Danish Financial Statements Act, section 99a. We account annually for the development in these areas in our Communication on Progress Report. The report is available at our website www.columbusglobal.com/Investor/CSR/Global_Compact_report_2015

Human rights and anti-corruption

Columbus' goal is to influence that our employees and all our business partners respect the Universal Declaration of Human Rights.

To ensure that we have set up a Code of Conduct, to make our position clear to our stakeholders. Our Code of Conduct is our general ethical guidelines for business conduct to ensure that we in Columbus on a global level are dedicated to promote ethical business practices and protect Columbus against corruption and other unethical business behaviour, which we believe is incompatible with the operation of a healthy business.

Labour

Columbus' key asset is our employees. Our success depends on our ability to attract and keep the best employees from our industry. It is crucial that we not only comply with human rights, but on top of that ensure attractive working conditions for our employees, in particular in regards to salary, wellbeing and competence development. This applies to all our subsidiaries worldwide. We have decided that our employee's working conditions are the core focus of our CSR effort.

Social commitment

Columbus is a global business that operates locally and in close proximity with our customers. We believe it is essential that we are involved in community and charitable activities and therefore we have decided to emphasize these initiatives in our CSR report. Columbus is committed to giving back to our communities. We encourage and support our employees' desire to use their time and talent for charity work. Most of Columbus' subsidiaries engage in local charity.

Environmental focus

Columbus is a people business. Being mostly office based means that our business' impact on the environment is relatively small. However, Columbus continuously optimizes our offices in order to be energy-efficient and healthy working environments for our employees. Furthermore, we aim to minimize unnecessary travel by plane and instead promote and develop virtual meetings, which also improves the efficiently in our business.

THE BOARD OF DIRECTORS AND EXECUTIVE BOARD

Board of Directors

Ib Kunøe
Born 1943
Chairman of the Board
Member of the Board since 2004, re-elected in 2015, term expires 2016
Does not fulfill the Committee of Corporate Governance definition of independency

Chairman of the Board for:
Atea ASA, Consolidated Holdings A/S, DAN-Palletiser A/S, DAN-Palletiser Holding A/S, Netop Solutions A/S, Iteo Consulting AS, X-Yacht A/S, X-Yacht Holding A/S, Sparresholm Jagtselskab ApS and Freemantle Ltd.

Member of the Board for:
Atrium Partner A/S

Special competencies:
Company management, including management of IT companies, development of and dealing with companies

Direct and indirect Ownership in Columbus A/S	Number	Changes in fiscal year
Shares - Consolidated Holdings A/S	56,538,055	0
Shares - Ib Kunøe	180,000	60,000
Options	0	0
Warrants	0	60,000

Jørgen Cadovius
Born 1945
Deputy Chairman of the Board
Member of the Board since 2005, re-elected in 2015, term expires 2016
Solicitor
Fulfills the Committee of Corporate Governance definition of independency

Chairman of the Board for:
Frese Holding ApS and its three subsidiaries, Fil de Fer A/S, Inter Express Transport A/S, Rosenkæret ApS and J. K. C. Trading & Invest ApS.

Member of the Board for:
Jørgen Schultz Holding A/S, Theodor Lund & Petersen Holding A/S, Carliis ApS and Monark Automotive GmbH.

Special competencies:
General management, legal and company law

Ownership in Columbus A/S	Number	Changes in Fiscal year
Shares	470,000	60,000
Options	0	0
Warrants	0	60,000

Sven Madsen

Born 1964
Member of the Board since 2007, re-elected in 2015, term expires 2016
CFO in Consolidated Holdings A/S
Member of the Audit Committee
Does not fulfill the Committee of Corporate Governance definition of independency

Chairman of the Board for:
CHV III ApS

Member of the Board for:
Atea ASA, Consolidated Holdings A/S, core:workers AB, core:workers Holding A/S, core:workers A/S, X-Yachts A/S, X-Yachts Holding ApS, Netop Solutions A/S, Ejendomsaktieselskabet af 1920 A/S, DAN-Palletiser Holding A/S, DAN-Palletiser A/S, DAN-Palletiser Finans A/S and Northern Link PR ApS.

Special competencies:
General management, M&A, business development, economic and financial issues.

Ownership in Columbus A/S	Number	Changes in fiscal year
Shares	588,529	60,000
Options	0	0
Warrants	0	60,000

Peter Skov Hansen

Born 1951
Member of the Board since 2012, re-elected in 2015, term expires 2016
Completed State Authorized Public Accountant education in 1980, registered as non-practicing
Chairman of the Audit Committee
Fulfills the Committee of Corporate Governance definition of independency

Member of the Board for:
X-Yachts Holding ApS, X-Yachts A/S, Netop Solutions A/S and Robotek Gruppen A/S

Special competencies:
Business development and financial, accounting and tax related issues

Ownership in Columbus A/S	Number	Changes in fiscal year
Shares	220,000	60,000
Options	0	0
Warrants	0	60,000

Executive Board

Thomas Honoré

Born 1969
Joined as CEO & President in May 2011

Ownership in Columbus A/S	Number	Changes in fiscal year
Shares	1,580,997	25,000
Options	0	0
Warrants	1,185,200	0

SHAREHOLDER INFORMATION

Shareholder information
Columbus A/S's shares have been listed on NASDAQ Copenhagen since May 1998 and have ID code DK0010268366 and abbreviated name COLUM. Columbus A/S is included in the Small Cap index.

At the end of 2015, the price of the Columbus A/S share was DKK 6.70, while at the end of 2014 it was DKK 4.70 – an increase of 42.55% (2014: 23.68%)[4].

Share price development:

In 2015, a total of 39.3m shares were sold corresponding to 34.6% of the total number of shares at the end of 2015 (2014: 35.7%). The average revenue per business day in 2015 was DKK 0.87m (2014: DKK 0.76m)[6].

The Company's market value amounted to DKK 761.8m at the end of 2015 against DKK 518.2m at the end of 2014.

Share capital
At the end of 2015 the share capital in Columbus A/S comprised of 113,698,572 shares at DKK 1.25 corresponding to nominal share capital of DKK 142,123,215 (2014: 110,264,492 shares at DKK 1, 25, corresponding to nominal share capital of DKK 137,830,615).

Each share provides one vote. The shares are marketable securities and no restrictions have been set for the shares' negotiability. The shares must be named and noted in the Company's share register.

Ownership
At the end of 2015 Columbus A/S had 5,646 registered shareholders, which together owned 97.15% of the total share capital.

The following shareholders have informed Columbus A/S of possession of 5% or above of the share capital:

	No. of shares	%
Consolidated Holdings A/S	56,538,055	49.73
Ib Kunøe	180,000	0.16
Total	56,718,055	49,89 *

* Due to shareholder voting agreements, Consolidated Holdings A/S holds 50.77% of the voting rights.

Members of Columbus A/S' Board of Directors and Executive Board owned in total 52.40% of the share capital at the end of 2015.

Dividends
The Company's dividend policy is to distribute dividend of minimum 10% of the nominal share capital each year, corresponding to DKK 0.125 per share. Besides, the Board of Directors may decide to propose to the General Meeting that this dividend be supplemented with an extraordinary dividend for a specific fiscal year.

[6] Source: NASDAQ Copenhagen A/S


Columbus US team event


To-Increase team event

However, it is decisive for Columbus to reduce debts and improve financial resources in order to be able to seize any positive development opportunities for continued strengthening of the long-term value creation for the Company. The Board of Directors may therefore decide to deviate from the dividend policy and propose at the General Meeting that dividends are not distributed for a specific fiscal year.
The Board of Director proposes that the Annual General Meeting adopts ordinary dividends to shareholders of 10% of the nominal value in line with the dividend policy.

Investor Relations

Columbus endeavors to provide a high and consistent level of information to our shareholders and other interested parties. A company goal is to have an open and active dialogue with shareholders, share analysts, the press and the public in order to ensure the necessary insight and thereby the best possibility to evaluate the Company. This will be obtained in accordance with rules and legislation for companies listed on NASDAQ Copenhagen and in accordance with Columbus' Investor Relations and Information policy. Communication with interested parties takes place via the ongoing publication of notifications, investor presentations and individual meetings.

The website www.columbusglobal.com is the primary source of information for interested parties. It is updated constantly with new information about Columbus' results, activities and strategy.

Columbus hosts a conference call after publication of financial statements. The call and presentations can be followed directly via the Company's website.

Analysts

The Danish share analyst, Aktieinfo, covers Columbus and four times a year they publish a share analysis with recommendations about the Columbus share based on the Company's results and factors that may influence the Company's business and future share price development.

Contact

The CFO handles the daily contact with investors and analysts:

Columbus
Lautrupvang 6
2750 Ballerup
Tel: +45 7020 5000
Contact person: CFO, Hans Henrik Thrane
Email: hht@columbusglobal.com

General Meeting

The Company's Annual General Meeting will be held on 28 April 2016 at 10.00 a.m. on the Company's address at: Lautrupvang 6, 2750 Ballerup.

Development in share capital

Development in share capital in Columbus A/S since 1 January 2015	Capital increase (DKK nom.)	Total share capital (DKK nom.)	No. of shares of DKK 1.25 (nom)
Capital increase 4 April*	4,292,600	142,123,215	113,698,572

* Capital increase as a consequence of the exercise of warrants by members of the Board of Directors, Executive Board and a number of senior executives. The warrants were granted as part of the Company's warrant program. The subscription price for the new shares is DKK 1.43 for 150,000 shares, DKK 1.48 for 1,625,000 shares, DKK 2.14 for 1,420,000 shares, DKK 3.93 for 223,600 shares and DKK 5.60 for 15,480 shares.

NOTIFICATIONS TO NASDAQ COPENHAGEN

2015

1	2 February	Columbus acquires US consultancy
2	3 February	Further information about Columbus' acquisition of US consultancy
3	13 March	Invitation to Columbus webcast and conference call 17 March 2015
4	17 March	Annual Report 2014
5	17 March	Columbus delivers record high earnings again
6	18 March	Trading in Columbus A/S shares by insiders
7	24 March	Notice to convene Annual General Meeting
8	1 April	Columbus issues new shares as a result of warrant exercise
9	1 April	Subscription for shares by exercising of warrants
10	7 April	Capital increase registered - new articles of association
11	9 April	Trading in Columbus A/S shares by insiders
12	21 April	Invitation to Columbus webcast and conference call 23 April 2015
13	23 April	Interim management statement Q1 2015
14	23 April	Passing of Annual General Meeting and subsequent constitution of the Board of Directors
15	4 May	Columbus acquires Danish consultancy
16	1 July	Columbus acquires US consultancy
17	14 August	Invitation to Columbus webcast and conference call 20 August 2015
18	20 August	Columbus A/S interim report H1 2015
19	20 August	Columbus delivers 26% growth in revenue in first half 2015
20	4 September	Trading in Columbus A/S shares by insiders
21	7 September	Trading in Columbus A/S shares by insiders
22	30 October	Invitation to Columbus webcast and conference call 3 November 2015
23	3 November	Interim management statement Q3 2015
24	6 November	Incentive Scheme
25	10 November	Amendment of Articles of Association
26	8 December	Financial calendar 2016

Financial calendar 2016

Annual Report 2015	17 March 2016
Interim Management Statement Q1	28 April 2016
Annual general meeting	28 April 2016
Interim Report 2016	25 August 2016
Interim Management Statement Q3	2 November 2016

Immediately following the publication, the notifications will be available on Columbus' website: www.columbusglobal.com.

GROUP OVERVIEW

Company	Country	Ownership by Columbus A/S,%	Columbus A/S's share of voting right,%	Average no. of employees
Columbus A/S	Denmark			198
Subsidiaries				
Western Europe				
Columbus NSC A/S	Denmark	100	100	31
MW data A/S	Denmark	100	100	23
MW Solutions A/S	Denmark	100	100	0
Columbus Norway AS	Norway	100	100	90
Columbus Global (UK) Ltd.	England	100	100	129
Omnica Ltd.	England	100	100	0
To-Increase B.V.	Netherlands	100	100	74
To-Increase Holding	Netherlands	100	100	0
Eastern Europe				
AO Columbus	Russia	100	100	144
000 Columbus Global	Russia	100	100	4
Columbus Global Ukraine	Ukraine	100	100	1
Columbus Global Kazakhstan	Kazakhstan	100	100	2
Columbus IT Partner (Russia) Ltd.	Cyprus	100	100	0
UAB Columbus Lietuva	Lithuania	100	100	54
Columbus Eesti AS	Estonia	51	51	55
Columbus IT Partner SIA *	Latvia	33	33	23
North America				
Columbus US Inc.	USA	100	100	89
Business Microvar Inc.	USA	100	100	152
Asia				
Columbus Global Services India Pvt. Ltd.	India	100	100	11**

Note: The overview only contains the Group's operative companies.
* Columbus Eesti AS owns 63% of Columbus IT Partner SIA. Columbus A/S is controlling shareholder in Columbus IT Partner SIA by indirect disposal of the voting right through control of the majority in the ownership of Columbus Eesti AS.

**88 employees in Columbus Global Services India Pvt. Ltd. are allocated to the other individual subsidiaries.

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Board of Directors and the Executive Board have today considered and approved the annual report of Columbus A/S for the financial year 01.01.2015 - 31.12.2015.

The annual report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2015 and of the results of their operations and cash flows for the financial year 2015.

In our opinion, the management commentary contains a fair review of the development of the Group's and the Parent's business and financial matters, the results for the year and of the Parent's financial position and the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the principal risks and uncertainties that the Group and the Parent face.

We recommend the annual report for adoption at the Annual General Meeting.

Ballerup, 17 March 2016

Executive Board

Thomas Honoré
CEO & President

Board of Directors

Ib Kunøe
Chairman

Jørgen Cadovius
Deputy Chairman

Peter Skov Hansen

Sven Madsen

INDEPENDENT AUDITOR'S REPORTS

To the shareholders of Columbus A/S

Report on the consolidated financial statements and parent financial statements

We have audited the consolidated financial statements and parent financial statements of Columbus A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the consolidated statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including the accounting policies, for the Group as well as for the Parent. The consolidated financial statements and parent financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Management's responsibility for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies and for such internal control as Management determines is necessary to enable the preparation and fair presentation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2015, and of the results of their operations and cash flows for the financial year 01.01.2015 - 31.12.2015 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statements.

Copenhagen, 17 March 2016

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No 33 96 35 56

Anders O. Gjelstrup
State Authorised Public Accountant

Christian Sanderhage
State Authorised Public Accountant

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Group		Parent Company	
DKK ´000	Note	2015	2014	2015	2014
Net revenue	4	1,123,443	878,291	228,228	215,427
External project costs		-274,962	-204,491	-64,404	-59,298
Gross profit		**848,481**	**673,800**	**163,824**	**156,129**
Staff expenses and remuneration	5	-606,755	-476,614	-135,766	-130,645
Other external costs		-150,013	-117,004	-32,105	-33,768
Other operating income	6	13,549	1,440	27,595	24,911
Other operating costs		-37	-31	0	0
EBITDA before share-based payment		**105,225**	**81,591**	**23,548**	**16,627**
Share-based payment	5	-1,362	-2,887	7,964	765
EBITDA		**103,863**	**78,704**	**31,512**	**17,392**
Depreciation	10, 11	-29,020	-25,811	-2,751	-4,227
Operating profit (EBIT)		**74,843**	**52,893**	**28,761**	**13,165**
Results in subsidiaries		0	0	-963	14,776
Financial income	7	9,183	6,371	11,947	8,415
Financial expense	7	-626	-564	-453	-129
Pre-tax earnings		**83,400**	**58,700**	**39,292**	**36,227**
Tax on result for the year	8	-18,061	-6,003	-203	-3,702
Result for the year		**65,339**	**52,697**	**39,089**	**32,525**
Items that may be reclassified subsequently to profit and loss:					
Foreign exchange adjustments of subsidiaries		1,699	-2,189	0	0
Other comprehensive income		**1,699**	**-2,189**	**0**	**0**
Total income for the year		**67,038**	**50,508**	**39,089**	**32,525**
Allocated to:					
Shareholders in Columbus A/S		64,817	50,822		
Minority interests		522	1,875		
		65,339	**52,697**		
Other comprehensive income allocated to:					
Shareholders Columbus A/S		66,504	48,644		
Minority interests		534	1,864		
		67,038	**50,508**		
Earnings per share of DKK 1.25 (EPS)	9	0.57	0.46		
Earnings per share of DKK 1.25, diluted (EPS-D)	9	0.57	0.45		

BALANCE SHEET

		Group		Parent Company	
DKK ´000	Note	2015	2014	2015	2014
ASSETS					
Goodwill		319,249	198,622	45,003	45,003
Other intangible assets		21,604	2,568	0	0
Development projects finalized		56,996	46,970	0	70
Development projects in progress		2,065	1,233	0	0
Intangible assets	10	**399,914**	**249,393**	**45,003**	**45,073**
Leasehold inprovements		96	148	0	0
Plant and operating equipment		12,535	8,500	5,299	4,650
Tangible assets	11	**12,631**	**8,648**	**5,299**	**4,650**
Investments in subsidiaries	12	0	0	219,128	180,307
Financial assets		**0**	**0**	**219,128**	**180,307**
Deferred tax assets	8	18,951	19,400	3,619	7,057
Total long-term assets		**431,496**	**277,441**	**273,049**	**237,087**
Inventories		1,303	270	0	0
Trade receivables	13,22	141,710	144,091	29,932	40,690
Contract work in progress	14	11,546	8,491	7,274	619
Receivables from subsidiaries		0	0	134,507	93,399
Corporate tax receivables	8	333	4,106	0	0
Deferred tax assets	8	7,500	0	3,235	0
Other receivables		12,058	8,024	3,064	4,207
Prepayments		9,542	8,777	2,772	2,843
Receivables		**182,689**	**173,488**	**180,784**	**141,758**
Cash		82,294	99,018	30,115	28,808
Total short-term assets		**266,285**	**272,777**	**210,899**	**170,566**
TOTAL ASSETS		**697,781**	**550,218**	**483,948**	**407,653**

BALANCE SHEET

DKK ´000	Note	Group 2015	Group 2014	Parent Company 2015	Parent Company 2014
EQUITY AND LIABILITIES					
Share capital	15	142,123	137,831	142,123	137,831
Reserves on foreign currency translation		-11,006	-12,693	0	0
Retained profit		255,062	200,763	238,785	210,214
Group shareholders equity		**386,179**	**325,901**	**380,908**	**348,045**
Minority interests		2,573	4,233	0	0
Equity		**388,752**	**330,134**	**380,908**	**348,045**
Deferred tax	8	6,454	281	0	0
Provisions	16	13,876	5,172	4,434	241
Other liabilities	17	0	1,270	0	1,270
Non-current liabilities		**20,330**	**6,723**	**4,434**	**1,511**
Debt to credit institutions		420	6	0	0
Debt to subsidiaries		0	0	33,413	5,656
Client prepayments		43,374	19,542	5,376	2,121
Trade payables		68,270	58,620	16,603	21,546
Corporate tax payables	8	10,601	7,430	0	0
Other liabilities	17	138,723	102,399	40,788	27,404
Accruals		27,311	25,364	2,426	1,370
Current liabilities		**288,699**	**213,361**	**98,606**	**58,097**
Total liabilities		**309,029**	**220,084**	**103,040**	**59,608**
TOTAL EQUITY AND LIABILITIES		**697,781**	**550,218**	**483,948**	**407,653**

STATEMENT OF CHANGES IN EQUITY - GROUP

	Shareholders in Columbus A/S				
DKK ´000	Share capital	Reserves on foreign currency translation	Retained profits	Minority interests	Equity
Group 2015					
Balance at 1 January 2015	**137,831**	**-12,693**	**200,763**	**4,233**	**330,134**
Profit after tax	0	0	64,817	522	65,339
Currency adjustments of investments in subsidiaries	0	1,687	0	12	1,699
Total comprehensive income	**0**	**1,687**	**64,817**	**534**	**67,038**
Capital increase, cf. note 15	4,292	0	2,332	0	6,624
Share-based payment, cf. note 5	0	0	1,362	0	1,362
Payment of dividend	0	0	-14,212	-2,194	-16,406
Balance at 31 December 2015	**142,123**	**-11,006**	**255,062**	**2,573**	**388,752**
Group 2014					
Balance at 1 January 2014	**132,793**	**-10,680**	**158,219**	**3,646**	**283,978**
Profit after tax	0	0	50,822	1,875	52,697
Currency adjustments of investments in subsidiaries	0	-2,013	-165	-11	-2,189
Total comprehensive income	**0**	**-2,013**	**50,657**	**1,864**	**50,508**
Capital increase, cf. note 15	5,038	0	2,782	0	7,820
Share-based payment, cf. note 5	0	0	2,887	0	2,887
Payment of dividend	0	0	-13,783	-1,277	-15,060
Balance at 31 December 2014	**137,831**	**-12,693**	**200,763**	**4,233**	**330,134**

STATEMENT OF CHANGES IN EQUITY – PARENT COMPANY

DKK ´000	Share capital	Reserves on foreign currency translation	Retained profits	Equity
Parent 2015				
Balance at 1 January 2015	**137,831**	**0**	**210,214**	**348,045**
Total income for the year	0	0	39,089	39,089
Capital increase, cf. note 15	4,292	0	2,332	6,624
Share-based payment, cf. note 5	0	0	1,362	1,362
Payment of dividend	0	0	-14,212	-14,212
Balance at 31 December 2015	**142,123**	**0**	**238,785**	**380,908**
Parent 2014				
Balance at 1 January 2014	**132,793**	**0**	**185,802**	**318,595**
Total income for the year	0	0	32,525	32,525
Capital increase, cf. note 15	5,038	0	2,782	7,820
Share-based payment, cf. note 5	0	0	2,887	2,887
Payment of dividend	0	0	-13,783	-13,783
Balance at 31 December 2014	**137,831**	**0**	**210,214**	**348,045**

CASH FLOW STATEMENT

		Group		Parent Company	
DKK ´000	Note	2015	2014	2015	2014
Operating profit (EBIT)		74.843	52.893	28.761	13.165
Non-recurring income from acquisitions	6	-12.086	0	-827	0
Depreciations and amortizations	10, 11	29.020	25.811	2.751	4.227
Cost of incentive scheme		1.362	2.887	1.362	2.887
Changes in net working capital	23	24.415	-905	891	-20.052
Cash flow from primary activities		**117.554**	**80.686**	**32.938**	**227**
Interest received, etc.		2.617	4.224	5.381	8.415
Interest paid, etc.		-626	-564	-453	-129
Corporate tax paid		-10.398	-9.323	0	105
Cash flow from operating activities		**109.147**	**75.023**	**37.866**	**8.618**
Net increase in development projects		-24.951	-15.249	0	0
Acquisition of tangible assets	11	-6.276	-3.819	-3.330	-1.275
Acquisition of intangible assets	10	-36	-44	0	0
Disposal of tangible assets		276	612	0	0
Acquisition of subsidiaries and activities		-78.137	-17.785	-39.543	-4.788
Capital increase in affiliated companies		0		-19.580	0
Dividends received from subsidiaries		0	0	33.482	14.776
Cash flow from investing activities		**-109.124**	**-36.285**	**-28.971**	**8.713**
Proceeds from capital increase / Warrant exercised		6.624	7.820	6.624	7.820
Overdraft facilities		-5.668	-2.385	0	0
Dividends paid		-16.406	-15.060	-14.212	-13.783
Cash flow from financing activities		**-15.450**	**-9.625**	**-7.588**	**-5.963**
Cash flow from operations		**-15.427**	**29.113**	**1.307**	**11.368**
Cash funds at the beginning of the year		99.018	75.410	28.808	17.440
Exchange rate adjustments		-1.297	-5.505	0	0
Cash funds at the end of the period		**82.294**	**99.018**	**30.115**	**28.808**

NOTES

NOTES

Note 1: Changes in accounting principles

The financial statements for 2015 for Columbus, which include financial statements for the Parent Company Columbus A/S and consolidated financial statements for the Columbus Group have been prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for annual reports prepared after reporting class D (listed), cf. IFRS Executive Order issued pursuant to the Financial Statements Act. Columbus is a public limited company seated in Denmark.

The consolidated and Parent Company's financial statements are presented in Danish Kroner (DKK), which is the presentation currency for the Group's activities and the functional currency of the parent.

The consolidated and Parent Company's financial statements have been prepared based on historical cost. The main elements of the accounting policies and changes compared to last year due to new and amended standards are described below. The accounting principles are also disclosed in note 28.

The effect of new accounting standards
All new and revised standards, which entered into force with effect from fiscal periods beginning at January 1st 2015, and interpretations that are relevant to the Columbus Group are used in preparing the financial statements.

Adoption of new and revised standards and interpretation contributions have not resulted in changes in the financial statements 2015 or previous years, and the Groups accounting principles are unchanged compared to 2014.

A number of new or amended standards and interpretations are at the time of publication of the consolidated and Parent Company's financial statements not yet in force. It is management's assessment that these standards and interpretations will not have a significant impact on the financial statements for the years going forward.

Significant accounting principles
In preparing the consolidated and Parent Company's financial statements, the management makes various accounting assessments that form the basis of presentation, recognition and measurement of the Parent Company and the Group's assets and liabilities. The most significant estimates and assessments are presented in note 2.

Note 2: Significant accounting estimates and assessments

By applying the Group's accounting principles as described in note 28, it is necessary that the management perform assessments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The performed estimates and assumptions are based on historical experience and other factors that management considers reasonable under the circumstances, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur. The Company is also subject to risks and uncertainties that may cause actual results to differ from these estimates. Specific risks for the Columbus Group are described in the "Risk Issues", cf. page 21.

The estimates and underlying assumptions are reviewed regularly. Changes to accounting estimates are recognized in the accounting period in which the change occurs and in future periods if the change affects both the period in which the change occurs and subsequent accounting periods.

Recoverability and intangible assets generated internally in the Group

The management's assessment regarding completed development projects that are amortized over a 3 to 5-year useful life, is that no impairment indicators in excess of the amortization made exist.

At the annual impairment test of ongoing development projects, or when there is indication of impairment, an estimate is made of how the parts of the business (cash-generating units) that ongoing development projects are related to will be able to generate sufficient cash flows in the future to support the value of ongoing development projects and other net assets in the relevant part of the business. Management closely monitors developments in the ongoing development projects, and will make adjustments to the carrying amounts if required as a result of the development.

Recoverable amount of goodwill

The determination of impairment of recognized goodwill requires determination of the value of the cash-generating units to which the goodwill is allocated. Determination of the value requires an estimate of expected future cash flows of each cash-generating unit and a reasonable discount rate. At 31 December 2015, the carrying value of goodwill is DKK 319,249k. For a detailed description of discount factors, etc. see note 10.

Evaluation of revenue recognition of contracts

The stage of completion, forming the basis for the current recognition of revenue at the Company's use of the production method of contracts, is determined on the basis of the relationship between the entity's resources in relation to recent total estimate of resource consumption. The degree of completion is assessed regularly by the responsible employees and the area is closely monitored by management, and further adjustments are made to the stage of completion, etc., if deemed necessary.

Utilization of deferred tax asset

Deferred tax assets are recognized for all unused tax losses and difference values to the extent it is deemed likely that within the foreseeable future taxable profits will be realized in which the losses and the difference values can be utilized. Determining the size of the amount that can be recognized for deferred tax assets, is based on management's estimate of the likely time and amount of future taxable profits. At 31 December 2015, the carrying value of recognized tax was DKK 26,451k, which is estimated to be realized in a foreseeable future (5 years or less).

Note 3: Segment data

In order to support decisions about allocation of resources and assessment of performance of the segments, the Group's internal reporting to the Board of Directors of the Parent Company is based on the following grouping of operating segments:

Strategic business areas	Description	Geographical segment
ISV (Independent Software Vendor)	Development and sale of industry-specific software within Columbus' three focus industries: Retail, food and manufacturing	No specific area
Consultancy	Sale and implementation of standard business systems.	Western Europe Eastern Europe North America

Information about the Group's segment is stated below.

		Consultancy				
DKK ´000	ISV	Western Europe	Eastern Europe	North America	HQ, GDC and Eliminations	Total
2015						
Columbus licenses	38,715	20,417	4,719	6,829	-18,429	52,251
Columbus subscriptions	35,505	14,870	1,480	5,580	-12,905	44,530
External licenses	0	39,390	16,489	51,937	-291	107,525
External subscriptions	-128	70,420	23,792	90,674	-234	184,524
Consultancy	17,453	398,707	91,285	228,952	-20,852	715,545
Other	1,287	8,103	2,033	7,738	-93	19,068
Total net revenue	**92,832**	**551,907**	**139,798**	**391,710**	**-52,804**	**1,123,443**
Gross earnings	82,260	412,662	101,458	247,441	4,660	848,481
EBITDA	49,034	56,882	11,697	13,605	-27,355	103,863
Operating result (EBIT)	30,277	29,669	5,785	-1,502	10,614	74,843
Profit before tax	31,820	27,852	7,702	-5,918	21,944	83,400
Profit after tax	25,741	16,885	4,247	-1,935	20,401	65,339
Segment assets	115,183	285,906	82,318	271,782	-57,408	697,781
Segment liabilities	37,644	117,417	33,144	70,025	50,799	309,029
Long-term assets	98,958	123,565	37,161	224,810	-52,999	431,496
Capital investments	29,405	9,646	367	2,007	-4,752	36,673
Depreciation	-18,640	-5,089	-506	-4,447	-338	-29,020
Average number of employees	**74**	**449**	**283**	**241**	**33**	**1,080**

In order to be able to estimate the results of the segments and allocate resources between these, the Board of Directors also monitors the tangible, intangible and financial assets related to each segment.

Note 3: Segment data, continued

DKK ´000	ISV	Consultancy: Western Europe	Consultancy: Eastern Europe	Consultancy: North America	HQ, GDC and Eliminations	Total
2014						
Columbus licenses	21,245	11,971	2,680	2,551	-9,665	28,782
Columbus subscriptions	27,894	10,953	1,062	3,236	-10,086	33,059
External licenses	0	38,338	19,463	16,248	-158	73,891
External subscriptions	334	69,797	22,926	31,749	-456	124,350
Consultancy	15,818	390,755	112,770	92,379	-14,780	596,942
Other	4,599	10,714	2,351	3,397	206	21,267
Total net revenue	**69,890**	**532,528**	**161,252**	**149,560**	**-34,939**	**878,291**
Gross earnings	64,358	386,984	120,472	100,347	1,639	673,800
EBITDA	34,478	52,776	16,257	1,437	-26,244	78,704
Operating result (EBIT)	13,966	46,593	14,965	578	-23,209	52,893
Profit before tax	13,246	45,028	16,826	-1,704	-14,696	58,700
Profit after tax	10,925	40,608	14,995	3,584	-17,415	52,697
Segment assets	114,056	227,592	83,356	81,933	43,281	550,218
Segment liabilities	38,057	126,709	28,318	19,945	7,055	220,084
Long-term assets	88,957	88,488	37,255	51,333	11,408	277,441
Capital investments	44,845	1,880	343	600	-10,904	36,764
Depreciation	-19,872	-3,634	-540	-345	-1,420	-25,811
Average number of employees	**61**	**411**	**283**	**119**	**15**	**889**

In order to be able to estimate the results of the segments and allocate resources between these, the Board of Directors also monitors the tangible, intangible and financial assets related to each segment.

Note 3: Segment data, continued

Revenue and long-term assets distributed in geographic areas

The Group's revenue from external customers and long-term assets distribution in geographical areas are specified below. Revenue is distributed according to the registered address of the customers, and the long-term assets are distributed according to location and legal relation.

	Net revenue from external customers		Long-term assets	
DKK ´000	2015	2014	2015	2014
Denmark	291,027	258,390	105,814	136,216
Norway	57,021	106,020	6,956	7,694
United Kingdom	191,171	159,078	22,822	21,023
USA	390,924	149,560	217,279	43,800
Russia	72,224	91,069	33	210
The rest of the world	121,076	114,174	78,592	68,498
Total	**1,123,443**	**878,291**	**431,496**	**277,441**

Note 4: Net revenue

	Group		Parent Company	
DKK ´000	2015	2014	2015	2014
Sale of products				
Columbus licenses	52,251	28,782	11,671	3,563
Columbus subscriptions	44,530	33,059	4,785	2,939
External licenses	107,525	73,891	17,702	17,537
External subscriptions	184,524	124,350	33,954	36,492
Other	1,213	351	0	26
Total sale of products	**390,043**	**260,433**	**68,112**	**60,557**
Sale of services				
Sales value of finished projects	702,881	608,220	138,431	163,305
Change in contract work in progress	12,664	-11,278	18,763	-12,321
Other services	17,855	20,916	2,922	3,886
Total sale of services in the period	**733,400**	**617,858**	**160,116**	**154,870**
Total net revenue	**1,123,443**	**878,291**	**228,228**	**215,427**
Contract work in progress, beginning of period	-39,811	-51,089	-19,888	-32,209
Contract work in progress, end of period	52,475	39,811	38,651	19,888
Total change in contract work in progress	**12,664**	**-11,278**	**18,763**	**-12,321**

The group does not hedge revenue by the use derivative financial instruments.

Note 5: Staff expenses and remuneration

DKK ´000	Group 2015	Group 2014	Parent Company 2015	Parent Company 2014
Staff expenses				
Salary and wages	555.778	425.339	128.378	122.317
Other social security costs	28.677	27.543	1.331	1.174
Other staff expenses	22.300	23.732	6.057	7.154
Staff costs before share-based payment	**606.755**	**476.614**	**135.766**	**130.645**
Share-based payment	1.362	2.887	-7.964	-765
Staff expenses	**608.117**	**479.501**	**127.802**	**129.880**
Average number of employees	1.080	889	198	180

The parent company's Executive Board and Board of Directors are remunerated as follows:

DKK ´000	Executive Board	Board of Directors	Other senior employees
2015			
Salary and wages	3.460	375	26.063
Share-based payment	0	244	653
	3.460	**619**	**26.716**
2014			
Salary and wages	3.440	350	17.165
Share-based payment	452	39	1.293
	3.892	**389**	**18.458**

Other senior employees are defined as those employees involved in management of the parent company, as well as the Managing Directors of the parent company's subsidiaries.

The Executive Board and a number of senior employees in the Parent Company as well as the Group, are subject to special bonuses depending on individually defined performance targets. The arrangements are essentially unchanged compared to last year.

Note 5: Staff expenses and remuneration, continued

Defined contribution plans

The Group finances defined contribution plans through continuous premium payments to independent pension and insurance companies, which are responsible for the pension liabilities. After payment of pension contribution to defined contribution plans, the Group has no further pension liabilities towards employees or resigned employees in relation to the future development in interest rates, inflation, mortality, disability etc. with regards to the amount to be paid to employees at a later time.

Incentive schemes

In June 2013 Columbus established a warrant program for senior executives and a number of other employees. The program, which can only be exercised by purchasing the shares in question, grants the right to subscribe a number of shares in the parent company at a price agreed in advance. The vesting period corresponds to the fiscal year with the final grant at 31 December 2015. At the grant date the market value of the shares was DKK 2,296,745. The exercise periods are scheduled to the first 14 days after publication of the Company's Annual Report. Warrants not exercised within the last exercise period will be lost. The warrant program is contingent on employment in the Company.

In December 2013 Columbus established a warrant program for senior executives and a number of other employees. The program, which can only be exercised by purchasing the shares in question, grants the right to subscribe a number of shares in the parent company at a price agreed in advance. The vesting period corresponds to the fiscal year with the final grant at 31 December 2016. At the grant date the market value of the shares was DKK 3,062,903. The exercise periods are scheduled to the first 14 days after publication of the Company's Annual Report. Warrants not exercised within the last exercise period will be lost. The warrant program is contingent on employment in the Company, and the Company's achievement of certain goals for earnings based on the period of employment as vesting criteria.

In May 2014 Columbus established a warrant program for senior executives and a number of other employees. The program, which can only be exercised by purchasing the shares in question, grants the right to subscribe a number of shares in the parent company at a price agreed in advance. The vesting period corresponds to the fiscal year with the final grant at 31 December 2016. At the grant date the market value of the shares was DKK 1,239,386. The exercise periods are scheduled to the first 14 days after publication of the Company's Annual Report. Warrants not exercised within the last exercise period will be lost. The warrant program is contingent on employment in the Company, and the Company's achievement of certain goals for earnings based on the period of employment as vesting criteria.

In November 2015 Columbus established a warrant program for senior executives. The program, which can only be exercised by purchasing the shares in question, grants the right to subscribe a number of shares in the parent company at a price agreed in advance. The vesting period corresponds to the fiscal year with the final grant at 31 December 2018. At the grant date the market value of the shares was DKK 2,836,393. The exercise periods are scheduled to the first 14 days after publication of the Company's Annual Report. Warrants not exercised within the last exercise period will be lost. The warrant program is contingent on employment in the Company.

If all warrants are exercised the outstanding warrants correspond to 7% of the total number of shares.

Note 5: Staff expenses and remuneration, continued

The development in outstanding warrants can be specified as follows:

	Number of warrants		Avg. exercise rate per warrant	
	2015	2014	2015	2014
Outstanding 1st january	8,609,501	12,915,000	2.92	2.38
Granted during the period	3,060,000	996,000	5.45	5.60
Lost due to termination of employment	-356,860	-1,271,500	3.32	2.62
Exercised during the period	-3,434,080	-4,029,999	1.93	1.94
Expired during the period	-30,000	0	0.00	0.00
Outstanding end of period	**7,848,561**	**8,609,501**	**4.33**	**2.92**

Number of warrants which can be exercised at balance sheet date	3,614,560	1,175,000
Weighted average exercise rate	3.37	1.78

The incentive scheme is based on Black & Scholes' calculations for the estimated market value at the time of allocation. The assessment is based on the following assumptions:

Warrants December 2015	Share price at grant date (DKK per share)	Exercise price (DKK per share)	Estimated volatility (%)*	Risk free interest (%)	Estimated return rate (%)	Expiry (number of years)
Granted June 2013	2.14	2.14	32.44%	0.54%	0%	0.3
Granted December 2013	3.93	3.93	36.99%	0.54%	0%	1.3
Granted June 2014	5.60	5.60	32.62%	0.34%	0%	1.3
Granted November 2015	5.45	5.45	23.66%	0.00%	0%	3.3

* The expected volatility is calculated based on the historic volatility during the past year until the grant of the warrant programs.

	Group		Parent Company	
DKK ´000	2015	2014	2015	2014
Expensed share-based payment related to equity instruments	1,362	2,887	-7,964	-765

Note 6: Other operating income

	Group		Parent Company	
DKK ´000	2015	2014	2015	2014
Other operating income				
Non-recurring income from acquisitions	12,086	0	827	0
Central cost allocation Columbus Group	0	0	22,559	21,338
Other services	1,463	1,440	4,209	3,573
Total Other operating income	**13,549**	**1,440**	**27,595**	**24,911**

Note 7: Financial income and expenses

	Group		Parent Company	
DKK ´000	2015	2014	2015	2014
Financial income				
Interest income from subsidiaries	0	0	4,757	3,597
Interest income on bank deposits, etc.	92	281	0	0
Other interest income	145	117	0	10
Interest income on financial assets not measured at fair value in the result	**237**	**398**	**4,757**	**3,607**
Foreign exchange gains	8,946	5,973	7,190	4,808
Total financial income	**9,183**	**6,371**	**11,947**	**8,415**
Financial expenses				
Interests expense to subsidiaries	0	0	14	0
Interest expense on bank loans	384	531	292	117
Other interest expense	242	33	147	12
Total financial expenses	**626**	**564**	**453**	**129**

Note 8: Corporate tax

	Group		Parent Company	
DKK ´000	2015	2014	2015	2014
Tax on result for the year				
Current tax	15,082	7,462	0	-65
Change in deferred tax	7,603	-415	203	3,767
Adjustment to previous years	-4,624	-1,044	0	0
	18,061	**6,003**	**203**	**3,702**
Tax on result for the year explained as follows				
Calculated 23,5% on pre-tax earnings on continuing operations (24,5% 2014)	19,599	14,382	9,234	8,876
Tax effect of				
Adjustment to tax concerning previous years	1,512	-2,424	0	435
Adjustment to tax rates in foreign subsidiaries relative to 23,5%	-3,176	-2,731	0	0
Non-capitalized tax value of losses	10,214	-344	0	0
Impairment on tax due to changed rules on loss carryforwards	-5,495	0	-5,495	-1,024
Effect of reduced corporate tax rate	249	-178	248	295
Not taxable income	-5,136	-3,614	-10,734	-4,872
Not taxable expenses	925	969	8,095	0
Other temporary differences	-631	-57	-1,145	-8
	18,061	**6,003**	**203**	**3,702**
Effective tax rate (%)	**21.66**	**10.23**	**0.52**	**10.22**
Corporate tax payable (net)				
Balance at 1 January	3,325	5,195	0	-40
Currency adjustment	-152	2,107	0	0
Adjustment to previous years	-152	-2,117	0	0
Current tax for the year	15,082	7,462	0	-65
Tax paid on account for the year	-5,961	-5,773	0	0
Corporate tax paid during the year	-1,875	-3,550	0	105
Balance at 31 December	**10,267**	**3,325**	**0**	**0**
Corporate tax receivable	-333	-4,106	0	0
Corporate tax payable	10,601	7,430	0	0
	10,267	**3,325**	**0**	**0**

Effect of change in tax rate is related to the deferred tax and due to the gradual reduction of the Danish corporate tax rate from 25% in 2013 to 24.5% in 2014, 23.5% in 2015 and 22% in 2016 and forward. The impact in 2015 is due to changes in estimates of when the temporary differences are realized.

Note 8: Corporate tax, continued

	Group		Parent Company	
DKK ´000	2015	2014	2015	2014
Deferred tax asset				
Balance at 1 January	19,400	19,418	7,057	10,824
Adjusted deferred tax assets 1 January	**19,400**	**19,418**	**7,057**	**10,824**
Currency adjustments	211	437	0	0
Additions due to acquisitions during the year	2,350	0	0	0
Adjustment to previous years	0	-1,051	0	0
This year's change in deferred tax	4,489	595	-203	-3,767
Balance at 31 December	**26,451**	**19,400**	**6,854**	**7,057**
Deferred tax asset relates to				
Intangible assets	-9,598	2,235	223	1,725
Tangible assets	5,166	11,522	3,397	4,816
Current assets	20,215	-2,915	-1	27
Loss carryforward	10,668	8,558	3,235	489
	26,451	**19,400**	**6,854**	**7,057**

The group has made a reversal of impairment of the tax asset in the Danish joint taxation of DKK 5.5m as a result of the changes in utilization of tax losses from previous years.
Based on the managements assessment of future income short-term tax assets are expected to be DKK 7.5m and the total tax assets are expected to be utilized within a 5-year period.

	Group		Parent Company	
DKK ´000	2015	2014	2015	2014
Deferred tax liability				
Balance at 1 January	281	74	0	0
Effect of reduced corporate tax rate	76	0	0	0
Adjusted defered tax liability 1 January	**357**	**74**	**0**	**0**
Currency adjustment	19	5	0	0
Additions due to acquisitions during the year	123	0	0	
Adjustment to previous years	0	22	0	0
This year's change in deferred tax	5,955	180	0	0
Balance 31 December	**6,454**	**281**	**0**	**0**
Deferred tax liability relates to				
Intangible assets	6,421	0	0	0
Tangible assets	83	281	0	0
Current assets	-50	0	0	0
	6,454	**281**	**0**	**0**

The Group's non-capitalized tax assets amounts to DKK 10m (2014: DKK 3m).

Note 9: Earnings per share

The calculation of earnings per share is based on the following:

	Group	
DKK ´000	2015	2014
Result for the year	65,339	52,697
Minority interests' share of the result for the year	522	1,875
Result used for calculating earnings per share, diluted	**64,817**	**50,822**
Average number of shares listed on NASDAQ OMX Copenhagen (pcs.)	112,929,991	109,342,913
Average number of treasury shares (pcs.)	0	0
Number of shares used to calculate earnings per share (pcs.)	**112,929,991**	**109,342,913**
Average dilutive effect on outstanding subscription rights (pcs.)	1,705,097	3,494,758
Number of shares used to calculate earnings per share, diluted (pcs.)	**114,635,088**	**112,837,671**
Earnings per share of DKK 1.25 (EPS)	0.57	0.46
Earnings per share of DKK 1.25, diluted (EPS-D)	0.57	0.45

Note 10: Intangible assets

DKK ´000	Goodwill	Other intangible assets	Development projects finalized	Development projects in progress	Total
Group 2015					
Balance at 1 January 2015	285,968	18,048	193,119	1,233	498,368
Foreign currency translation, year-end exchange rate	5,668	407	830	3	6,908
Additions	409	36	473	24,478	25,396
Additions relating to acquisitions	114,550	22,260	4,504	0	141,314
Development projects, finalized	0	0	23,649	-23,649	0
Balance at 31 December 2015	**406,595**	**40,751**	**222,575**	**2,065**	**671,986**
Amortization and impairment at 1 January 2015	87,346	15,480	146,149	0	248,975
Foreign currency translation, year-end exchange rate	0	168	904	0	1,072
Amortization	0	3,499	18,525	0	22,024
Amortization and impairment at 31 December 2015	**87,346**	**19,147**	**165,578**	**0**	**272,071**
Carrying amount at 31 December 2015	**319,249**	**21,604**	**56,996**	**2,065**	**399,914**
Group 2014					
Balance at 1 January 2014	255,051	16,182	169,102	3,593	443,928
Foreign currency translation, year-end exchange rate	4,516	-96	548	-8	4,960
Additions	0	44	0	15,274	15,318
Additions relating to acquisitions	26,401	1,918	5,843	0	34,162
Development projects, finalized	0	0	17,626	-17,626	0
Balance at 31 December 2014	**285,968**	**18,048**	**193,119**	**1,233**	**498,368**
Amortization and impairment at 1 January 2014	87,346	14,736	125,814	0	227,896
Foreign currency translation, year-end exchange rate	0	-166	365	0	199
Amortization	0	910	19,970	0	20,880
Amortization and impairment at 31 December 2014	**87,346**	**15,480**	**146,149**	**0**	**248,975**
Carrying amount at 31 December 2014	**198,622**	**2,568**	**46,970**	**1,233**	**249,393**

Except for goodwill, economic life of all intangible assets is expected to be limited.

Note 10: Intangible assets, continued

Goodwill

The carrying amount of goodwill is distributed on cash-generating units as shown below:

DKK ´000	Country	Segment	31 December 2015	31 December 2014
Columbus A/S	DK	VAR	45,003	45,003
MW data A/S	DK	VAR	35,829	0
ZAO Columbus	RU	VAR	30,945	30,944
Columbus US Inc.	US	VAR	52,529	47,861
Business Microvar Inc.	US	VAR	77,964	0
Columbus Norway AS	NO	VAR	7,684	7,878
UAB Columbus Lietuva	LT	VAR	4,709	4,699
Columbus Global (UK) Ltd	UK	VAR	20,213	18,306
Columbus Eesti AS	EE	VAR	54	54
Columbus CoMakeIt India Pvt Ltd	IN	VAR	4,130	3,721
Total consultancy			**279,060**	**158,466**
To-Increase B.V.	NL	ISV	40,189	40,156
Total ISV segment			**40,189**	**40,156**
			319,249	**198,622**

The management performs an impairment test of the carrying amount of goodwill, development projects and other long-term assets at least annually and more frequently if there are indicators of impairment. The annual impairment test is performed on 31 December 2015.
The recoverable amount of goodwill related to the individual cash generating units are calculated based on the Capital Asset Pricing Model (CAPM model)

The main changes in the goodwill from 2014 to 2015 relates to acquisitions of Business Microvar Inc. and MW data A/S. However, also minor impact from exchange rate adjustments primarily linked to the US and UK operations.

Future cash flows

The recoverable amount of the individual cash-generating units to which the goodwill amounts to, is calculated based on the calculations of capital value. The most significant uncertainties are connected to the determination of discount rates, growth rates and expected changes in costs in the budget and terminal periods.
Budget for the individual cash generating units is based on a bottom up process. The key assumptions for the budget are expected development in efficiency (number of chargeable hours compared to total hours) in the consultancy business and expected revenue and gross profits from sale of software and general development in cost. The budget process takes place in October through November and takes into consideration the historical performance and current condition and performance of the cash generating unit in terms of pipeline, order book and current capacity in terms of consultants.

Note 10: Intangible assets, continued

The 3-year projection period is based on individual and conservative assumptions for the three main revenue streams in Columbus i.e. Consultancy, external software and Columbus Software.

In generating a terminal value, a conservative real growth in revenue and cost of 1% is applied. With regards to staff cost a real growth of 2% is expected in both the 3-year interim period and in generating the terminal value.

Columbus is operating in a market where the development has low sensitivity to market development in general and to the development in general IT spending by companies. The management believes that likely changes in the key assumptions will not cause the carrying amount of goodwill to exceed the recoverable amounts. Group management has performed a sensitivity analysis of goodwill impairment tests to show the headroom between carrying and amount and the recoverable amounts. The sensitivity analysis is focusing on changes in free cash flow in terminal period with 5%, growth in terminal period with 1% and changes in discount rate with 1%. The analysis did not identify any indication of impairment.

Discount rate

The determined discount factors reflect the market assessment of the time value of money in the countries where the cash generating units operate expressed as a risk-free rate and the specific risks associated with each cash-generating unit. The discount rate is determined on an "after tax" basis on the assessed Weighted Average Costs of Capital (WACC).

The discount rate used to calculate the present value of expected future cash flow is between 6.8% and 14.4% after tax, representing 6.8% and 14.4% pretax. The reason for the insignificant difference between after tax and pre-tax discount rates is due to a very low debt to equity ratio and due to the fact that Columbus has significant tax losses carry forwards to offset tax payments. The discount rate has been determined based on the Capital Asset Pricing Model and comprise a risk-free interest rate, the market risk premium and a beta factor, covering systematic market risk and also a company premium. The values for the risk-free interest rate, the market risk premium and the beta factor are determined using external sources. The group applies the same discount rates for all cash generating units, as the risk of the individual cash generating units are reflected in their estimated cash flows. However, to accommodate for higher assessed risk in the future, cash flows in Eastern Europe a 3% higher and for Norway an 8% higher discount factor has been applied for these markets.

Note 10: Intangible assets, continued

Most important assumptions for the impairment test

With the applied method for the annual impairment test, the growth rate applied in the terminal value and the WAAC becomes the most important assumptions for the net present value of the future cash flows.

Overall, the impairment based on the above assumptions demonstrates that the present value of the future cash flows from the cash generating units comfortably exceeds the carrying amount of goodwill. The management has applied conservative growth rates for the projection period and for the period following the projection period developed for the purpose of the impairment test.

DKK ´000	Goodwill	Other intangible assets	Finalized development projects	Total
Parent 2015				
Balance at 1 January 2015	45,987	9,513	21,764	77,264
Balance at 31 December 2015	**45,987**	**9,513**	**21,764**	**77,264**
Amortization and impairment at 1 January 2015	984	9,513	21,694	32,191
Amortization	0	0	70	70
Amortization and impairment at 31 December 2015	**984**	**9,513**	**21,764**	**32,261**
Carrying amount at 31 December 2015	**45,003**	**0**	**0**	**45,003**
Parent 2014				
Balance at 1 January 2014	45,987	9,513	21,764	77,264
Balance at 31 December 2014	**45,987**	**9,513**	**21,764**	**77,264**
Amortization and impairment at 1 January 2014	984	8,621	21,254	30,859
Amortization	0	892	440	1,332
Amortization and impairment at 31 December 2014	**984**	**9,513**	**21,694**	**32,191**
Carrying amount at 31 December 2014	**45,003**	**0**	**70**	**45,073**

Note 11: Tangible assets

DKK ´000	Leasehold improvements	Fixtures and equipment	Total
Group 2015			
Balance at 1 January 2015	2,615	62,693	65,308
Foreign currency translation, year-end exchange rate	2	2,057	2,059
Additions	0	6,276	6,276
Additions related to acquisitions	0	12,064	12,064
Disposals	0	-372	-372
Disposals relating to divestments	0	-14	-14
Balance at 31 December 2015	**2,617**	**82,704**	**85,321**
Depreciation and write-downs at 1 January 2015	2,467	54,193	56,660
Foreign currency translation, year-end exchange rate	2	1,298	1,300
Depreciation	53	6,943	6,996
Additions related to acquisitions	0	7,844	7,844
Reversed depreciation on disposals	0	-97	-97
Reversed depreciation on disposals relating to divestments	0	-12	-12
Depreciation and write-downs at 31 December 2015	**2,522**	**70,169**	**72,691**
Carrying amount at 31 December 2015	**96**	**12,535**	**12,631**
Group 2014			
Balance at 1 January 2014	3,702	57,732	61,434
Foreign currency translation, year-end exchange rate	-2	416	414
Additions	0	3,819	3,819
Additions relating to acquisitions	0	809	809
Disposals	-1,085	-12	-1,097
Disposals relating to divestments	0	-71	-71
Balance at 31 December 2014	**2,615**	**62,693**	**65,308**
Depreciation and write-downs at 1 January 2014	2,921	48,859	51,780
Foreign currency translation, year-end exchange rate	-2	507	505
Depreciation on continuing operations	53	4,878	4,931
Reversed depreciation on disposals	-505	-12	-517
Reversed depreciation on disposals relating to divestments	0	-39	-39
Depreciation and write-downs at 31 December 2014	**2,467**	**54,193**	**56,660**
Carrying amount at 31 December 2014	**148**	**8,500**	**8,648**

Note 11: Tangible assets, continued

DKK ´000	Leasehold improvements	Fixtures and equipment	Total
Parent 2015			
Balance at 1 January 2015	1,034	36,939	37,973
Additions	0	3,330	3,330
Balance at 31 December 2015	**1,034**	**40,269**	**41,303**
Depreciation and write-downs at 1 January 2015	1,034	32,289	33,323
Depreciation	0	2,681	2,681
Depreciation and write-downs at 31 December 2015	**1,034**	**34,970**	**36,004**
Carrying amount at 31 December 2015	**0**	**5,299**	**5,299**
Parent 2014			
Balance at 1 January 2014	1,034	35,664	36,698
Additions	0	1,275	1,275
Balance at 31 December 2014	**1,034**	**36,939**	**37,973**
Depreciation and write-downs at 1 January 2014	1,034	29,395	30,429
Depreciation	0	2,894	2,894
Depreciation and write-downs at 31 December 2014	**1,034**	**32,289**	**33,323**
Carrying amount at 31 December 2014	**0**	**4,650**	**4,650**

Note 12: Investments in subsidiaries

DKK ´000	Parent Company 2015	Parent Company 2014
Balance at 1 January	231,742	226,954
Adjustments	409	0
Addition	72,858	4,788
Balance at 31 December	**305,009**	**231,742**
Amortization and write-downs at 1 January	-51,435	-51,435
Write-down	-34,446	0
Amortization and write-downs at 31 December	**-85,881**	**-51,435**
Carrying amount 31 December	**219,128**	**180,307**

Additions of investments in subsidiaries in 2015 relate to the acquisition of MW data A/S, MW Solutions A/S and share capital increase in Columbus Norway AS.

Write-down of investments in 2015 relates to impairment test on the Norwegian investment.

Additions of investments in subsidiaries in 2014 relate to the acquisition of Columbus Global Services India Pvt. Ltd.

Note 13: Trade receivables

	Group		Parent Company	
DKK ´000	2015	2014	2015	2014
Receivables (gross) at 31 December	**148,701**	**149,029**	**29,937**	**40,728**
Provisions for bad debt at 1 January	4,938	3,538	38	139
Change in provisions for bad debt during the period	13,516	3,064	24	-21
Loss realized during the period	-11,463	-1,664	-57	-80
Provisions for bad debt 31 December	**6,991**	**4,938**	**5**	**38**
Carrying amount at 31 December	**141,710**	**144,091**	**29,932**	**40,690**

Provisions for bad debt are made if it is assessed that the individual debtors ability to pay is reduced, e.g. in the event of administrative orders, insolvency, etc.

Note 14: Contract work in progress

	Group		Parent Company	
DKK ´000	2015	2014	2015	2014
Contract work in progress	52,475	39,811	38,651	19,888
On account billing and prepayments	-57,519	-39,482	-36,753	-21,391
	-5,044	**329**	**1,898**	**-1,503**
The net value is included in the balance as follows:				
Contract work in progress (assets)	11,546	8,491	7,274	619
Client prepayments (liabilities)	-16,590	-8,162	-5,376	-2,122
	-5,044	**329**	**1,898**	**-1,503**

Note 15: Share capital

The share capital consists of 113,698,572 shares of DKK 1.25, corresponding to DKK 142,123k (nom.). The shares are not divided into classes, and no shares have any special rights. The share capital is fully paid up.

In 2015 the Company increased the capital by 3,434,080 shares of DKK 1.25, corresponding to DKK 4,293k (nom.) as a result of exercised warrant programs.

In 2014 the Company increased the capital by 4,029,999 shares of DKK 1.25, corresponding to DKK 5,037k (nom.) as a result of exercised warrant programs.

	Parent Company	
	2015	2014
Number of shares at the beginning of the year	110,264,492	106,234,493
Capital increase	3,434,080	4,029,999
Number of shares at the end of the year	**113,698,572**	**110,264,492**

Note 16: Provisions

	Group		Parent Company	
DKK ´000	2015	2014	2015	2014
Contingent consideration	13.514	4.931	4.072	0
Other provisions	362	241	362	241
	13.876	**5.172**	**4.434**	**241**

Note 17: Other liabilities

	Group		Parent Company	
DKK ´000	2015	2014	2015	2014
Non-current				
Employee bonds	0	1.270	0	1.270
	0	**1.270**	**0**	**1.270**
Current				
Payroll cost, payroll tax, retirement benefit obligations etc.	43.550	29.534	7.450	4.110
Holiday pay etc.	35.633	30.957	16.151	15.481
VAT payable	19.547	14.891	3.062	3.253
Other liabilities	30.852	24.300	4.984	4.560
Contingent consideration	9.141	2.717	9.141	0
	138.723	**102.399**	**40.788**	**27.404**

The carrying amount of other liabilities matches the fair value of the liabilities.

The holiday pay obligation represents the Groups obligation to pay salary during employees' holiday in the following financial year.

Note 18: Contingent liabilities and commitments for expenditures

Group

Contractual obligations
Group companies have entered into various housing lease agreements, and the total lease obligation in the interminable part of the lease period amounts to DKK 59.7m (2014: DKK 32.1m).

Further, various leasing agreements (primarily cars) have been entered into in relation to operating equipment, and total liabilities amount to DKK 7.0m (2014: DKK 7.4).

Parent Company

Contractual obligations
Parent company have entered into various housing lease agreements, and the total lease obligation in the interminable part of the lease period amounts to DKK 12.5m (2014: DKK 15.5m).

Further, various leasing agreements (primarily cars) have been entered into in relation to operating equipment, and total liabilities amount to DKK 1.2m (2014: DKK 2.0m).

Contingent liabilities
The Company is jointly VAT registered with Columbus NSC A/S and is jointly and severally liable for VAT.

The Danish jointly taxed companies are jointly and severally liable for tax on joint taxation income.

The Company is included in Danish jointly taxation with Consolidated Holdings A/S as controlling company. Thus, the Company is, in accordance with the Danish Corporation Tax Act, from financial year 2013 liable for income tax etc. for the jointly taxed companies and from 1 July 2012 also for potential liabilities, including withholding tax on interest, royalties and profits for these companies.

Commitments for expenditures
The Company has guaranteed payment of banking arrangements in Nordea for subsidiaries. As at 31 December 2015 the maximum liability is DKK 420k (2014: DKK 6k).

The Company's shares in subsidiaries are provided as security for the parent company's arrangement with the main bank, total amount DKK 21.0m (2014: DKK 21.0m).

Note 18: Contingent liabilities and commitments for expenditures, continued

Rental and lease commitments

Future rental and lease commitments are as follows:

DKK ´000	2015			2014		
Group	Buildings	Fixtures and operating equipment	Total	Buildings	Fixtures and operating equipment	Total
Less than 1 year	17,597	3,114	20,711	9,688	3,193	12,881
Between 1 and 5 years	46,546	3,947	50,493	27,751	4,162	31,913
More than 5 years	38,621	0	38,621	19,959	0	19,959
	102,764	**7,061**	**109,825**	**57,398**	**7,355**	**64,753**

The Group leases operating equipment and inventory on operational lease agreements. The lease period is usually between 2 and 7 years with the possibility of renewal on expiry. None of the lease agreements include conditional rental.

DKK ´000	2015			2014		
Parent Company	Buildings	Fixtures and operating equipment	Total	Buildings	Fixtures and operating equipment	Total
Less than 1 year	3,296	832	4,128	3,243	1,003	4,246
Between 1 and 5 years	13,855	321	14,176	13,632	1,065	14,697
More than 5 years	18,935	0	18,935	18,632	0	18,632
	36,086	**1,153**	**37,239**	**35,507**	**2,068**	**37,575**

The Parent company leases operating equipment and inventory on operational lease agreements. The lease period is usually between 2 and 7 years with the possibility of renewal on expiry. None of the lease agreements include conditional rental.

Note 19: Business combinations

Acquisition of companies in 2016

The group has per 1 February 2016 acquired 100% shares in SystemHosting A/S. The acquisition of SystemHosting A/S will strengthen Columbus's global position as an innovative solution provider.
The opening balance has not yet been fully completed, but the expectation to 2016 is a revenue of DKK 32m and an EBITDA in the level of DKK 5m. The price of the company is not fully determined as it depends significantly on performance until 30 June 2016.

Acquisition of companies in 2015

The Group has per 1 February 2015 acquired 100% shares in Business Microvar Inc. and per 4 May 2015 acquired 100% shares in MW data A/S and MW Solutions A/S. Furthermore, the group has per 1 July 2015 acquired 100% assets in Sherwood Systems.

Name	Primary activity	Date of control gained	Acquired ownership	Acquired voting rights	Total consideratio n DKK '000
Business Microvar Inc.	Distribution and implementa-tion of standardised business solutions.	1st February	100%	100%	62,225
MW data A/S and MW Solu-tions A/S	Distribution and implementa-tion of standardised business solutions.	4th May	100%	100%	53,278
Sherwood Systems	Distribution and implementa-tion of standardised business solutions.	1st July	100%	100%	6,595
Total					**122,098**

The acquisition of Business Microvar Inc. and Sherwood Systems has strengthened the position as a value provider of indus-try specific consultancy and business solutions to companies within the retail, manufacturing and food industries.

The acquisition of MW data A/S has strengthened the focus within the company's key industries, and thereby the global po-sition as an innovative solution provider.

Note 19: Business combinations, continued

DKK ´000	Business Microvar Inc.	MW data A/S and MW Solutions A/S	Sherwood Systems	Total
Development projects, finalized	0	4,496	0	4,496
Other intangible assets	16,462	5,376	0	21,838
Operating equipment	3,299	1,228	0	4,527
Total long-term assets	**19,761**	**11,100**	**0**	**30,861**
Trade receivables	12,583	7,604	291	20,478
Other receivables	5,643	153	18	5,814
Cash	3,253	11,924	0	15,177
Total short-term assets	**21,479**	**19,681**	**309**	**41,469**
Trade payables	-16,159	-2,767	0	-18,926
Corporation tax and deferred tax	2,476	-972	0	1,504
Other debt	-33,451	-9,593	-998	-44,041
Total short-term debt	**-47,134**	**-13,332**	**-998**	**-61,463**
Net assets acquired	**-5,894**	**17,449**	**-689**	**10,866**
Goodwill	68,119	35,829	7,284	111,232
Total consideration	**62,225**	**53,278**	**6,595**	**122,098**
Aquired cash funds	2,608	-11,924	0	-9,316
Contingent consideration	-13,169	-14,144	0	-27,313
Cash consideration	**51,663**	**27,210**	**6,595**	**85,468**

Note 19: Business combinations, continued

After recognition of identifiable assets, liabilities and contingent liabilities at fair value, goodwill in relation to the acquisitions were assessed to DKK 111m. The goodwill represents the value of assets where the fair value cannot be measured reliably, the value of the acquired staff and knowhow, expected synergies from the merger of acquired companies and the existing activities in Columbus as well as the value of access to new markets.

Estimated tax deductibility on goodwill for the Business Microvar Inc. acquisition is DKK 68.7m. Goodwill is amortized over 15 years.

Contingent consideration for Business Microvar Inc. is DKK 13.2m. The contingent consideration is determined by revenue and EBITDA thresholds in 2015 and 2016 for the acquired business. The consideration is recognized as if these thresholds will be met.

Contingent consideration for MW data A/S and MW Solutions A/S is DKK 14.1m. The contingent consideration is determined by retaining certain key customers and key employees and certain revenue thresholds during 2015. Further contingent payments are determined by consulting profitability thresholds during 2015, 2016 and 2017. The consideration is recognized as if these thresholds will be met.

Changes to contingent considerations as a result of post-acquisition events during 2015 is recognized according to IFRS 3 as other income.

DKK ´000	Business Microvar Inc.	MW data A/S and MW Solutions A/S	Sherwood Systems	Total
Fair value calculation on trade receivables				
Trade receivables, gross amount	15,039	7,718	350	23,108
Trade receivables, not expected to be collected	-2,456	-114	-59	-2,629
Trade receivables, fair value	**12,583**	**7,604**	**291**	**20,478**

Business Microvar Inc., MW data A/S, MW Solutions A/S and Sherwood Systems have been implemented completely in business and in the books and a separation of the businesses is impracticable. The amount of revenue and profit or loss, for the period from the acquisition date as well as proforma figures for the year 2015 has consequently not been stated.

Note 19: Business combinations, continued

Acquisition of companies in 2014

The Group acquired the following companies in 2014:

Name	Primary activity	Date of control gained	Acquired ownership	Acquired voteing rights	Total consideratio n DKK '000
Omnica Ltd.	Distribution and implementation of standardised business solutions	31 January	100%	100%	23,217
Dynamics Anywhere International B.V.	Vendor of state-of-the-art mobile solutions for business applications	3 October	100%	100%	9,098
Columbus Global Services India Pvt. Ltd.	Global Delivery Center	30 December	100%	100%	4,788
Total					**37,104**

The acquisition of Omnica Ltd. has strengthened the industry focus and competencies in retail and has complemented the software portfolio with MCR and Webstore.

The acquisition of Dynamics Anywhere International B.V. has strengthened the development of capabilities and complemented the product portfolio with Mobility.

As of 30 December 2014 Columbus exercised a call option and formally acquired the established Global Delivery Center in India. The acquisition impacts the classification of cost in the 2015 accounts.

Note 19: Business combinations, continued

DKK ´000	Omnica Ltd.	Dynamics Anywhere International B.V.	Columbus Global Services India Pvt. Ltd.	Total
Development projects, finalized	1,116	4,727	0	5,843
Other intangible assets	1,918	0	0	1,918
Operating equipment	297	0	512	809
Total long-term assets	**3,331**	**4,727**	**512**	**8,570**
Trade receivables	3,808	0	0	3,808
Other receivables	228	350	626	1,204
Cash	9,280	0	194	9,474
Total short-term assets	**13,316**	**350**	**820**	**14,486**
Trade payables	-1,305	0	-11	-1,316
Corporation tax and deferred tax	-1,006	0	-76	-1,082
Other debt	-7,359	-2,418	-178	-9,955
Total short-term debt	**-9,670**	**-2,418**	**-265**	**-12,353**
Net assets acquired	**6,977**	**2,659**	**1,067**	**10,703**
Goodwill	16,240	6,439	3,721	26,401
Purchase price	**23,217**	**9,098**	**4,788**	**37,104**
Aquired cash funds	-9,280	0	-194	-9,474
Contingent consideration	-3,660	-5,732	0	-9,393
Cash consideration	**10,277**	**3,366**	**4,594**	**18,237**

After recognition of identifiable assets, liabilities and contingent liabilities at fair value, goodwill in relation to the acquisition was assessed to DKK 26m. The goodwill represents the value of assets where the fair value cannot be measured reliably, the value of the acquired staff and knowhow, expected synergies from the merger of acquired company and the existing activities in Columbus as well as the value of access to new markets.

Contingent consideration for Omnica Ltd. is DKK 3.6m. The contingent consideration is determined by retaining certain key customers and key employees and certain revenue thresholds during 2015. The consideration is recognized as if these thresholds will be met.

Contingent consideration for Dynamics Anywhere International B.V. is DKK 5.7m. The contingent consideration is determined by revenue thresholds in 2014 and 2015 for the acquired business. The consideration is recognized as if these thresholds will be met.

Note 19: Business combinations, continued

DKK ´000	Omnica Ltd.	Dynamics Anywhere International B.V.	Columbus Global Services India Pvt. Ltd.	Total
Fair value calculation on trade receivables				
Trade receivables, gross amount	3,815	0	0	3,815
Trade receivables, not expected to be collected	-7	0	0	-7
Trade receivables, fair value	**3,808**	**0**	**0**	**3,808**

Omnica Ltd., Dynamics Anywhere international B.V. and Columbus Global Services India Pvt. Ltd. have been implemented completely in business and in the books and a separation of the businesses is impracticable. The amount of revenue and profit or loss, for the period from the acquisition date as well as proforma figures for the year 2014 has consequently not been stated.

Note 20: Related parties

Consolidated Holdings A/S has a controlling interest in the Columbus Group, including Columbus A/S.

Other related parties with significant influence in the Columbus Group are the Company's Board of Directors, Executive Board and certain executives and their related parties. Furthermore, related parties are companies in which the above persons have significant interests.

Related parties with controlling interest

Consolidated Holdings A/S (Fredheimvej 9, 2950 Vedbæk)
Consolidated Holdings A/S owns 49.73% of the shares in Columbus A/S. Consolidated Holdings A/S has a controlling interest in Columbus A/S, as Consolidated Holdings A/S, through its shareholding and its shareholder voting agreements, controls the majority (50.77%) of the votes at the annual general meeting. Transactions with the company are made on an arm's length basis. Ib Kunøe is the majority shareholder in Consolidated Holdings A/S.
Dividend to Consolidated Holdings A/S is paid on equal principals as with other shareholders.

Related parties with significant influence

ATEA (Lautrupvang 6, 2750 Ballerup)
Transactions with the company are made on an arm's length basis. In 2015 Columbus bought products and services from ATEA for 1.6m DKK (2014: DKK 7.7m). Consolidated Holdings A/S has significant influence in ATEA, and certain dual roles in the management are filled by the same persons in ATEA and the Columbus Group.

Netop Solutions A/S (Netop, Bregnerødvej 127, 3460 Birkerød)
Transactions with the company are made on an arm's length basis. In 2015 the Columbus Group has sold licenses and services to the company for DKK 31k (2014: DKK 31k), Consolidated Holdings A/S has controlling interest in Netop Solutions A/S, and certain dual roles in the management are filled by the same persons in Netop Solutions A/S and the Columbus Group.

Dan-Palletiser A/S (Borgergade 17, 4241 Vemmelev)
Transactions with the company are made on an arm's length basis. In 2015 the Columbus Group has sold licenses and services to the company for DKK 0.6m (2014: 2.7m). Consolidated Holdings A/S has controlling interest in Dan-Palletiser A/S, and certain dual roles in the management are filled by the same persons in Dan-Palletiser A/S and the Columbus Group.

Other related parties
Maatschap de Baksteen (T.a.v. de heer R. Hardeman, Utrechtseweg 28, 3927AV Renswoude, Holland)
Transactions with the company are made on an arm's length basis. In 2015 the Columbus Group bought services related to office rent for DKK 0.9m (2014: DKK 0.9m). The company is a related party to the Columbus Group as an executive in the Columbus Group is a part owner of the company.

Related parties in Columbus also comprise the subsidiaries in which the Company has controlling interest, cf. the Group overview page 31.

Note 20: Related parties, continued

Executive Board and Board of Directors
Remuneration of the Executive Board, the Board of Directors and executives appears from note 5.

Subsidiaries and associates
Trading with subsidiaries and associates was as follows:

	Parent Company	
DKK ´000	2015	2014
Service and tools fee, subsidiaries	22,559	21,338

Transactions with subsidiaries are eliminated in the consolidated financial statements in accordance with applied accounting policies.

Outstanding accounts with subsidiaries and associates
Columbus' outstanding accounts with subsidiaries and associates are shown directly in the balance sheet. Outstanding accounts are interest-bearing. The interest payment of outstanding accounts is shown in note 7. Payment terms for regular outstanding accounts are invoice month + 30 days.

Note 21: Fee to the Group's auditor elected by the annual general meeting

	Group		Parent Company	
DKK ´000	2015	2014	2015	2014
Auditor elected by the annual general meeting				
Statutory audit	1,124	1,048	391	448
Other assurance agreements	0	31	0	0
Tax and VAT advisory services	26	15	0	0
Other services	0	52	0	0
	1,150	**1,146**	**391**	**448**
Other auditors				
Statutory audit	303	183	0	0
Other assurance agreements	0	0	0	0
Tax and VAT advisory services	23	101	0	0
Other services	28	5	0	0
	354	**289**	**0**	**0**
Total audit fee	**1,504**	**1,435**	**391**	**448**

Note 22: Financial risks and financial instruments

Primary financial instruments

DKK ´000	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Group 2015				
Financial assets				
Loans and receivables				
Trade receivables	141.710	0	0	141.710
Other receivables	9.998	2.060	0	12.058
Accruals	9.542	0	0	9.542
Cash and bank balances	82.294	0	0	82.294
Total financial assets	**243.544**	**2.060**	**0**	**245.604**
Financial liabilities				
Debt measured at amortised cost				
Debt to credit institutions	319	101	0	420
Client prepayments	43.374	0	0	43.374
Trade payables	68.270	0	0	68.270
Other liabilities	132.158	6.565	0	138.723
Accruals	27.311	0	0	27.311
Total financial liabilities	**271.432**	**6.666**	**0**	**278.098**
Group 2014				
Financial assets				
Loans and receivables				
Trade receivables	144.091	0	0	144.091
Other receivables	8.024	0	0	8.024
Accruals	8.777	0	0	8.777
Cash and bank balances	99.018	0	0	99.018
Total financial assets	**259.910**	**0**	**0**	**259.910**
Financial liabilities				
Debt measured at amortised cost				
Debt to credit institutions	6	0	0	6
Client prepayments	19.542	0	0	19.542
Trade payables	58.620	0	0	58.620
Other liabilities	102.399	0	0	102.399
Accruals	25.364	0	0	25.364
Total financial liabilities	**205.931**	**0**	**0**	**205.931**

Note 22: Financial risks and financial instruments, continued

The Group has no financial instruments measured at fair value.

The above maturity analysis is based on undiscounted cash flow, and the method of accounting is equivalent to Columbus' cash flow exposure going forward. The maturity analysis is based on a worst case scenario, thus repayment of debt is recognized at the earliest possible time where the counterparty may require the debt to be paid.

Below is a more detailed maturity analysis covering the two most important items under financial assets and financial liabilities, trade receivables and trade payables. The date of maturity is distributed between the ranges used for the Group's cash management. Items with no specified agreement about maturity is registered as "less than 1 year".

Primary financial instruments

	Group	
DKK ´000	2015	2014
Trade receivables		
Not due	83,973	94,403
Less than 30 days	47,054	39,187
Between 30-60 days	6,357	7,736
Between 60-90 days	3,574	2,879
Between 90-180 days	4,211	2,703
Between 180-270 days	1,530	1,702
Between 270-360 days	1,772	241
More than 360 days	230	179
	148,701	**149,030**
Provisions for bad debt		
Not due	0	0
Less than 30 days	0	0
Between 30-60 days	0	0
Between 60-90 days	0	0
Between 90-180 days	-1,053	-676
Between 180-270 days	-765	-851
Between 270-360 days	-1,329	-181
More than 360 days	-230	-179
	-3,377	**-1,887**
Individual provisions for bad debt	**-3,614**	**-3,052**
Recognized value of trade receivables	**141,710**	**144,091**

Note 22: Financial risks and financial instruments, continued

DKK ´000	Group 2015	Group 2014
Trade payables		
Not due	61,478	48,654
Less than 30 days	5,005	8,317
Between 30-60 days	710	1,317
Between 60-90 days	83	664
Between 90-180 days	61	-387
Between 180-270 days	270	47
Between 270-360 days	542	28
More than 360 days	121	-20
Recognised value of trade payables	**68,270**	**58,620**

For all the primary financial instruments, the carrying amounts are approximately estimated to be equivalent to the fair value.

DKK ´000	Group 2015	Group 2014
Cash and bank balances	82,294	99,018
Unused credits	100,490	60,562
	182,784	**159,580**

The Group's cash reserves consist of cash and unused credits.

Foreign exchange rate risk, interest rate risk and use of financial instruments

As a consequence of the operation, investments and financing, the Group is exposed to changes in foreign exchange rates and interest rates. The Parent Company controls the financial risks in the Group centrally and coordinates the cash management, including cash generation and excess liquidity. The Group follows a finance policy approved by the Board of Directors, and operates with a low risk profile, in order to ensure that foreign exchange rate risks and interest risks only occur in commercial situations.

Fluctuations in foreign exchange rates have an effect on the Group's revenue and results as approx. 81% of the revenue comes from NOK, GBP, USD and RUB. Foreign exchange rate fluctuations compared to DKK of 1% on these foreign exchange rates will cause a total effect of approx. 0.8% of the Group's revenue. The foreign exchange rate risk for EUR is considered to be minimal.

Fluctuations in interest rates have a limited effect on the Group's financial instruments. By the end of 2015 an increase in interest rates of half a percentage point would increase the value of the Group's financial liabilities by DKK 2k (2014: DKK 0k). The financial liabilities included in the sensitivity analysis include long-term and short-term debt to credit institutions.

Note 22: Financial risks and financial instruments, continued

The Group uses no derivative financial instruments.

Credit risks
The Group's credit risks primarily derive from trade receivables and bank deposits. Trade receivables are distributed between many customers and geographical areas. A systematic credit rating is performed of all customers in the individual companies, and possible provisions for bad debt are performed based on this credit rating. Payment terms offered to the individual customers are also based on these credit ratings.

The maximum credit risk on the balance sheet date equals the carrying amount.

Optimization of capital structure
The Group management continuously estimates whether the capital structure is in accordance with the interests of the Company and shareholders. The overall goal is to ensure a capital structure which supports long-term financial growth, and at the same time maximises the return to the Group's stakeholders through optimization of the debt and equity balance. The Group's capital structure consists of debt, comprising financial liabilities such as bank loans, financial leasing, corporation tax payable, cash and equity, including share capital, reserves for foreign exchange adjustments and profit/loss carried forward.

Breach of loan agreements
The Group has neither in the financial year 2015 nor in 2014 failed to perform or defaulted on any loan agreements.

Note 23: Changes in working capital

	Group		**Parent Company**	
DKK ´000	2015	2014	2015	2014
Change in receivables and contract work in progress	27,822	-1,274	-29,223	-34,899
Change in inventories	-1,032	-230	0	0
Change in trade accounts payable and liabilities	-1,105	599	31,384	14,847
Change in other liabilities	-1,270	0	-1,270	0
Cash flow from changes in working capital	**24,415**	**-905**	**891**	**-20,052**

Note 24: Board of Directors and Executive Board

See section "The Board of Directors and Executive Board" in the Management's Report, page 26.

Note 25: Shareholder information

See section "Shareholder information" in the Management's Report, page 28.

Note 26: Events after the reporting period

The Board of Directors have after preparing this Annual Report proposed an ordinary dividend to the shareholders of DKK 0.125 per share of DKK 1.25 (nom) to be approved at the Annual General Meeting on 28 April 2016. The dividend has not been included as a liability in these consolidated financial statements.

There have been no other events since 31 December 2015 which could significantly affect the evaluation of the Group's financial position and revenues at 31 December 2015. Earnings in January and February 2016 are in line with the Company's expectations.

Note 27: Approval of publication of the Annual Report

On the Board meeting on 17 March 2016 the Board of Directors approved publication of the Annual Report 2015. The Annual Report 2015 will be submitted for approval by the shareholders of Columbus A/S on the Annual General Meeting on 28 April 2016.

Note 28: Accounting principles

In addition to the description in Note 1, the accounting principles are as described below.

The consolidated financial statements

The consolidated financial statements include Columbus A/S and the companies in which the Group holds more than 50% of the voting rights, or otherwise has the power to govern the financial and operating policies for achieving returns or other benefits from its activities.

Principles of consolidation

The consolidated financial statements are prepared based on financial reporting for Columbus A/S and its subsidiaries. The consolidated financial statements are prepared by combining financial statement uniform items. The financial reporting that are used for the consolidation are prepared in accordance with the Group's accounting policies.

On consolidation, intercompany income and expenses, intercompany accounts and dividends, and gains and losses on transactions between the consolidated companies are eliminated.

In the consolidated financial statements items of subsidiaries are included 100%.

Minority interests

On initial recognition, minority interests are measured at fair value or at their proportionate share of the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. The adopted method is selected for each transaction. Minority interests are subsequently adjusted for their proportionate share of changes in equity of the subsidiaries. Comprehensive income is allocated to minority interests regardless of whether the minority interest thus may be negative.

Purchase and sale of minority shares in a subsidiary that do not result in a loss of control are treated in the consolidated financial statements as an equity transaction and the difference between the consideration and the carrying amount is allocated to the Parent Company's share of equity.

Business combinations

Newly acquired or newly established subsidiaries are consolidated from the date of acquisition or formation. The acquisition date is the date on which the Columbus Group obtains control of the acquiree. Divested companies are included in the consolidated financial statements until the date of disposal or winding up. Disposal is the date when control is actually transferred to third parties.

Acquisition of new companies or activities in which the Group obtains control of the acquisition decision acquired business will be accounted for under the purchase method, so that the identified assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identified intangible assets are recognized separately from goodwill if they are separable or arise from a contractual right and the fair value can be measured reliably. Non-current assets which are held for sale are measured at fair value less estimated selling costs. Restructuring liabilities are only recognized in the acquisition balance sheet if they represent a liability to the acquired company. Account is taken for the tax effect of the restatements.

The purchase consideration for a company is the fair value of the consideration paid for the acquired company. If the final determination is subject to one or more future events, these fair values are recognized at the acquisition date. Costs directly attributable to the acquisition are recognized directly in profit or loss as incurred.

Positive differences (goodwill) between, on one hand, the purchase price of an acquired company, the value of non-controlling interests in the acquiree and the fair value of previously held equity interests, and on the other hand, the fair value of the identifiable assets, liabilities and contingent liabilities is recognized as goodwill under intangible fixed assets. Goodwill is not amortized but is tested annually for impairment. The first impairment test is performed before the end of the year of acquisition. Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis of the impairment test. The determination of cash-generating units follows the management structure and internal financial control and reporting of the Group. If the carrying amount of an asset exceeds its recoverable amount it is written down to its recoverable amount.

In case of negative differences (negative goodwill), the calculated fair values, the calculated purchase consideration for the company, the value of non-controlling interests in the acquiree and the fair value of previously held equity interests is reassessed. If the difference is still negative, the difference is recognized as income in the result.

If at the time of acquisition there is an uncertainty about the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration, initial recognition is based on preliminary fair values. The preliminary calculated amounts can be adjusted, or additional assets or liabilities can be recognized until one year after the purchase date, if new information on conditions that existed at the acquisition date is obtained, which would have affected the calculation of values at the acquisition date, had the information been known.

Changes in estimates of contingent consideration are generally recognized directly in income statement (EBITDA).

Gains and losses on divestments or dissolvement of subsidiaries or associates

Gains or losses on divestments or dissolvements of subsidiaries and associates are stated as the difference between the sales price or settlement price and the fair value of any remaining equity and the book value of net assets on the time of sale or winding up, including goodwill, less any minority interests. Gains or losses are recognized in profit or loss as well as accumulated foreign currency translation adjustments previously recognized in other comprehensive income.

Foreign currency translation

Transactions in currencies other than the Group's functional currency are translated initially at the transaction date. Receivables and payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated at the closing rate. Gains and losses arising from the difference between the exchange and the transaction date are recognized in profit or loss as financial items. Tangible and intangible assets, inventories and other non-monetary assets acquired in foreign currency and measured at historical cost are translated at the transaction date. Non-monetary items revalued at fair value are translated using the exchange rate at the date of revaluation.

Translation of foreign subsidiaries

On recognition in the consolidated financial statements of foreign subsidiaries with a functional currency other than Danish kroner (DKK), income statements are translated at average exchange rates for the months unless these deviate significantly from the actual exchange rates at the transaction dates. In the latter case, the actual exchange rates are used. Balance sheet items are translated at the closing exchange rates. Goodwill is considered to belong to the acquired entity and is translated at the closing rate.

Foreign exchange differences arising from the translation of foreign company balance sheet items at the beginning of the closing exchange rates, and on translation of foreign entities' income statements from average rates to closing rates are recognized in other comprehensive income. Similarly, exchange differences arising as a result of changes made directly in the foreign enterprise's equity, are also recognized in other comprehensive income. Adjustment of receivables or debt to subsidiaries which are considered part of the Parent Company's overall investment in the subsidiary in question are recognized in other comprehensive income in the consolidated financial statements, whereas they are recognized in the profit of the Parent Company.

Translation of foreign associates

On recognition in the consolidated financial statements of associates with a functional currency other than DKK, the share of the profit at average exchange rates is translated, and the share of equity including goodwill is translated at closing rates.

Consolidated statement of comprehensive income

Revenue
Revenue is recognized in the income statement when delivery and transfer of ownership has taken place before year-end, if the income can be reliably measured and payment is expected to be received. Revenue is recognized net of VAT, taxes etc. collected on behalf of third parties and discounts.

Income from subscription agreements, where the Group must fulfill a service is recognized on a straight line basis over the subscription period, while other subscriptions (upgrades etc.) are recognized at the time of invoicing.

Contract work in progress is recognized as the production of each project is carried out, whereby revenue corresponds to the sales value of the work in progress (stage of completion method). Revenue is recognized when total income and expenses of the projects and completion at the balance sheet date can be measured reliably and it is probable that the economic benefits including payments will flow to the Group.

Compound contracts
Columbus typically enters into contracts that include a combination of software licenses and consulting services. These contracts are classified either as multiple element contracts or compound contracts.

Multiple element contracts are contracts where price and other significant issues in the contract are negotiated independently. In this group of contracts each element is recognized individually, so that the sale of software and consulting services are recognized separately in accordance with the above practices.

Compound contracts are contracts where price and other essential items are negotiated together and cannot be disassembled. These types of contracts are recognized jointly by the practices that are applicable to the main element of the contract, which is typically the consultancy.

Royalty
Royalty is recognized on a straight line basis over the period during which the royalty agreement covers.

External project costs
External projects costs include the expenses excluding wages and salaries that are directly incurred to achieve revenue for the year and include the cost of licenses, subcontractors, etc. External project costs are recognized as the project progresses.

Other external costs
Other external costs include expenses of premises, sale and distribution, office expenses, etc.

Other operating income and expenses
Other operating income and expenses includes income and expenses of a secondary nature to the Group's primary activities, including adjustments of contingent liabilities related to acquisitions, gains and losses on disposal of intangible and tangible assets. Gains and losses on disposal of intangible and tangible assets are calculated as the selling price less selling costs and the carrying amount at the time of sale.

Dividends from subsidiaries and associates
Dividends from investments are recognized in the Parent Company's profit in the accounting period, where the right for the dividend is earned.

Financial items
Financial items include interest income and expenses, the interest portion of finance lease payments, gains and losses on foreign currency transactions and surcharges and allowances under the account tax scheme.

Tax
Income tax for the year comprises current tax and movements in deferred tax is recognized in profit by the portion attributable to the profit and directly in equity or in other comprehensive income to the extent that it relates to items

recognized directly in equity and in other comprehensive income. Exchange adjustments of deferred tax is recognized as part of the adjustment of deferred tax.

Current tax liabilities and receivables are recognized in the balance sheet as estimated tax on the taxable income, adjusted for prepaid tax.

When calculating the current tax, the applicable tax rates and rules on the balance sheet date is used.

Deferred tax is recognized using the balance sheet liability method on all temporary differences between accounting and tax values of assets and liabilities, except for deferred taxes on temporary differences arising on the initial recognition of goodwill or from the initial recognition of a transaction that is not a business combination, and where the temporary difference identified by the initial recognition affects neither the accounting profit nor the taxable income. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, unless the parent is able to control when the deferred tax is realized, and it is probable that the deferred tax will not crystalize as current tax in the foreseeable future.

Deferred tax is calculated based on the planned use of each asset and settlement of each liability.

Deferred tax is measured based on the tax rules and rates in the respective countries, based on enacted or in reality enacted laws at the balance sheet date that are expected to apply when the deferred tax is expected to crystallize as current tax. Changes in deferred tax due to changes in tax rates or rules are recognized in profit or loss unless the deferred tax is attributable to transactions previously recognized directly in equity or in other comprehensive income. In the latter case, the change is also recognized in equity, respectively, in other comprehensive income.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognized at the value at which they are expected to be realized, either as net assets to offset against future taxable income or against deferred tax liabilities in the same legal tax entity and jurisdiction. It is assessed at each reporting date whether it is likely that in future there will be sufficient taxable profits against which the deferred tax asset can be utilized.

The Parent Company is part of a mandatory Danish joint taxation with all Danish companies controlled by Consolidated Holdings A/S. The calculated Danish tax on the joint taxable income is distributed among the jointly taxed companies in proportion to their taxable income (full allocation with credit for tax losses).

Balance sheet

Intangible assets

Goodwill

Goodwill is recognized and measured at initial recognition as the difference between the cost and the net assets of the acquired company. The net assets of the acquired company based on the fair value of assets and liabilities at the acquisition date. On recognition of goodwill, the goodwill is allocated to each of the Group's activities that generate separate cash flows (cash generating units). The determination of cash-generating units follows the management structure and internal financial management and reporting of the Group.

Goodwill is not amortized, but is tested annually for impairment.

Development projects

Development projects are projects that are clearly defined and identifiable, where the technical feasibility, adequate resources and a potential future market or application in the group can be demonstrated and where the intention is to produce, promote or use the project. Development projects are recognized as intangible assets if the cost can be measured reliably and there is sufficient assurance that future earnings or the net selling price will cover production, sales, administration and development costs. Other development costs are recognized in profit or loss as incurred.

Development costs are measured at cost less accumulated depreciation and impairment losses. The cost includes wages, salaries, services, depreciation and other costs directly attributable to the Group's development and which are necessary to complete the project, from the time when the development project first qualifies for recognition as an asset. After completion of the development project development costs are amortized straight-line basis over the estimated useful life. The amortization period is usually 3-5 years.

Development projects are reviewed annually to determine whether there are indications of impairment. If such an indication exists, the asset's recoverable amount is calculated. If the recoverable amount is lower than the carrying value, the development projects are impaired to this value. Development projects in progress are tested at least annually for impairment.

Licensing rights

Acquired license rights comprise software. These are measured at cost less accumulated depreciation and impairment losses.

License rights are amortized over the expected life or expiry of the contract, whichever is shortest. The amortization period is usually 5 years.

Acquired license rights are impaired to the recoverable amount if this is lower than the carrying value.

Tangible assets

Fixtures and equipment etc.

This item includes fixtures and equipment as well as leasehold improvements. These are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date the asset is ready for use.

For financial leased assets, cost is the lower of the fair value or the present value of the future minimum lease payments. In calculating the present value of leases the internal interest rate of the leasing agreement or the incremental borrowing rate is applied as the discount rate.

Fixtures and equipment are depreciated over 3 to 5 years, equal to the assets' estimated useful life. Leasehold improvements are amortized over the lease period not exceeding 5 years.

The basis for depreciation is determined taking into account the residual value less impairment losses. The value is impaired to the recoverable amount if this is lower than the carrying value. The residual value is determined at the acquisition date and reassessed annually. Depreciation is discontinued if the residual value exceeds the carrying amount.

In amendment of the depreciation period or the residual value the effect is recognized prospectively as a change in accounting estimates.

Financial assets

Investments in subsidiaries and associates in the Parent Company's financial statement

Investments in subsidiaries and associates are measured in the Parent Company's financial statements at historical cost. If the historical cost exceeds the recoverable amount the costs are impaired to the lower value.

When dividend distributed exceeds the accumulated earnings after the acquisition date this is considered as an indication of impairment.

If the Parent Company has a legal or constructive obligation to cover a subsidiary's deficit, a provision is recognized to the extent that it exceeds amounts owed by the subsidiary. Gains and losses on disposal of subsidiaries are calculated as the difference between the sale or liquidation amount and the carrying amount at the time of sale less costs to sell. Gains or losses are recognized in profit or loss under "Other operating income" and "Other operating expenses".

Impairment of tangible and intangible assets as well as investments in subsidiaries

The carrying values of tangible and intangible assets of definite useful lives as well as investments in subsidiaries are reviewed at each balance sheet date to determine any indications of impairment. If this is the case, the asset's recoverable value is determined to identify any need for impairment and the extent thereof.

If the asset does not generate cash flow independent of other assets, the recoverable amount of the smallest cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset is the higher of net selling price and capital value.

For cash-generating units, the impairment is firstly distributed on goodwill, and then any remaining impairment is distributed to other assets in the unit.

Impairment losses are recognized in profit or loss. On any subsequent reversal of impairment losses resulting from changes in the assumptions used to determine the recoverable amount, the asset and the cash-generating unit's carrying amount is increased to the adjusted recoverable amount, however not exceeding the carrying value of the asset or cash-generating excluding impairment. Impairment of goodwill is not reversed.

Deferred tax assets are reviewed annually and recognized only to the extent that it is probable for utilization.

Inventories

Finished goods, consisting primarily of software are measured at cost using the FIFO method or net realizable value, whichever is lower.

The cost of goods comprises the purchase price.

The net realizable value of inventories is calculated as the selling price less costs incurred to execute the sale and is determined taking into account marketability, obsolescence and expected selling price development.

Receivables

Receivables consist of receivables from sales of products and services and other receivables.

Receivables are measured at initial recognition at fair value and subsequently at amortized cost, which usually corresponds to nominal value less provisions for bad debts.

Impairment losses are calculated based on an individual assessment of each receivable.

Contract work in progress

Contract work in progress is measured at the sales value of the work performed less progress billings and expected losses. Market value is measured based on completion at the balance sheet date and the total expected income from the contract. The stage of completion is determined as the ratio between the resources spent and the total estimated resource for the project. For some projects where the consumption of resources cannot be used as a base the measurement is instead based on the ratio between completed sub activities and the total project.

When it is probable that total costs will exceed total revenue on a contract work in progress, the expected loss on the contract is taken immediately as an expense and a provision.

When the outcome of a contract cannot be estimated reliably, the selling price is only recognized at cost, to the extent that it is probable, they will be recovered.

Contract work in progress is recognized in the balance sheet under receivables or liabilities, depending on whether net value is a receivable or liability.

Costs of sales work and securing contracts are recognized in profit as incurred.

Prepayments

Prepayments recognized under assets include expenses paid concerning subsequent financial years and are measured at cost.

Dividend

Proposed dividends are recognized as a liability at the time of approval by the general meeting (time of declaration).

Treasury shares

Acquisition, disposal and dividends on treasury shares are recognized directly in retained earnings in equity.

Translation reserve

The translation reserve comprises foreign exchange differences arising from translation of the financial report for entities with a different functional currency than Danish kroner.

Provisions for liabilities

Provisions are recognized as a result of events occurring before or at the balance sheet date that has a legal or constructive obligation and it is probable that settlement of the obligation will result in an outflow of economic resources.

Provisions are measured at management's best estimate of the amount required to settle the obligation. Provisions with an expected maturity more than one year from the balance sheet date are measured at present value.

Pensions

Contributions to defined contribution plans are recognized in profit or loss in the period to which they relate and any contributions payable are recognized in the balance sheet under other payables.

Share option schemes

Equity-settled share options are measured at fair value at allotment date and recognized in the income statement under share-based payment over the period in which the final right of the options vest. The balancing item is recognized directly in equity.

On initial recognition of share options, the number of options expected to vest at expiry is estimated. Subsequently revised for changes in the estimated number of vested options, so that the total recognition is based on the actual number of vested options.

The fair value of the options granted is estimated using the Black-Scholes model with the parameters stated in Note 5.

Financial liabilities

Other financial liabilities include bank loans, trade payables and other payables to public authorities, etc. Other financial liabilities are initially measured at fair value, less any transaction costs. In subsequent periods, financial liabilities are measured at amortized cost using the "effective interest method" so that the difference between the proceeds and the nominal value is recognized in the income statement under financial expenses over the loan period.

Other liabilities are measured at amortized cost.

Leasing

Lease obligations are operating leases. Lease payments under operating leases are recognized in the profit or loss over the lease term.

Deferred income

Deferred income recognized under liabilities comprises payments received concerning income in subsequent years measured at cost.

The cash flow statement

The cash flow statement is presented using the indirect method based on net operating profit.

The cash flow statement shows cash flows for the year, the change in cash, as well as the balance of cash at the beginning and end of the year.

Cash flow from operating activities

Cash flow from operating activities is calculated as profit before tax adjusted for noncash operating items, changes in working capital, interests received and paid, and corporation tax paid.

Cash flow from investment activities

Cash flows from investment activities comprise payments relating to purchase and divestment of businesses and activities, purchase and divestment of intangible and other long-term assets as well purchase and divestment of securities not recognized as cash and dividends received. Cash flow from acquired companies is included from the date of acquisition, while cash flow from divestments is recognized until the time of sale.

Cash flow from financing activities

Cash flows from financing activities comprise changes in size or composition of share capital and related costs as well as raising and repayment of loans repayment of interest-bearing debt, purchase and divestment of treasury shares and payment of dividend to minority shareholders.

Inception of financial leases are treated as non-cash transactions. Cash flows realign to financial leases are recognized as payments of interest and repayment of debt.

Cash

Cash comprise cash less any overdraft facilities that are an integral part of cash management.

Cash flows in currencies other than the functional currency are translated using average exchange rates unless these deviate significantly from the transaction date.

Segment data

Segment data are prepared in accordance with the Group's accounting policies and the Group's internal management reporting.

Segment income and expenses and segment assets and liabilities include items directly attributable to a segment and items that can be allocated to the individual segments on a reliable basis.

Assets in the segments comprise assets used directly in segment operations, including intangible and tangible fixed assets, investments in associates, inventories, receivables from sales of goods and services, other receivables, prepayments and cash.

Liabilities related to the segments comprise liabilities derived from segment operations, including debts to suppliers of goods and services, provisions and other payables.

Key figures and ratios

Earnings per share (EPS) and diluted earnings per share (EPS-D) are calculated in accordance with IAS 33.

Other ratios are calculated in accordance with the Danish Society of Financial Analysts Recommendations & Financial Ratios 2015. The financial ratios stated are calculated as follows:

EBITDA-margin

$$\frac{\text{Earnings before interest, tax, depreciations and amortizations (EBITDA)}}{\text{Net revenue}}$$

Operatin margin

$$\frac{\text{Operating profit (EBIT)}}{\text{Net revenue}}$$

Return of equity

$$\frac{\text{Result after tax and excl. minority interests}}{\text{Equity excl. minority interests}}$$

Equity ratio

$$\frac{\text{Equity excl. minority interests}}{\text{Total liabilities}}$$

Earnings per share (EPS)

$$\frac{\text{Result after tax and excl. minority interests}}{\text{Average number of shares}} \text{ x f}$$

Book value per share (BVPS)

$$\frac{\text{Equity excl. minority interests end of year x 100}}{\text{Number of shares end of year}} \text{ x f}$$

Cash flow per share

$$\frac{\text{Cash flow from operations}}{\text{Average number of shares}} \text{ x f}$$

Adjustment factor (f)

$$\frac{\text{Theoretical rate}}{\text{Listed price of stock the day before the subscription and/or stock right cease}}$$

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